

COMMITTEE ON AGRICULTURE
(2011-2012)

FIFTEENTH LOK SABHA

MINISTRY OF AGRICULTURE
(DEPARTMENT OF AGRICULTURE & CO-OPERATION)

DEMANDS FOR GRANTS (2012-2013)

THIRTY FOURTH REPORT



LOK SABHA SECRETARIAT
NEW DELHI

APRIL, 2012/ VAISAKHA, 1934 (Saka)

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Presented to Lok Sabha on 30.04.2012

Laid on the Table of Rajya Sabha on 30.04.2012



LOK SABHA SECRETARIAT
NEW DELHI

APRIL 2012/ VAISAKHA, 1934 (Saka)

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CONTENTS

	Page No.
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(v)
ABBREVIATIONS	(vii)

REPORT

CHAPTER I IMPLEMENTATION OF THE COMMITTEE'S RECOMMENDATIONS	01
CHAPTER II BUDGETARY ANALYSIS	3-21
(i) Introductory	03
(ii) Overview of Demands	04
(iii) Investment in Agriculture	08
(iv) Major Initiatives for Twelfth Plan	12
(v) Finalization of Twelfth Plan	14
CHAPTER III EVALUATION OF SCHEMES	22-53
(i) Crops	22
National Food Security Mission (NFSM)	22
(ii) Agricultural Marketing	26
(a) Marketing Research and Information Network (MRIN)	26
(b) Grameen Bhandaran Yojana	28
(iii) Plant Protection	30
Strengthening and Modernization of Pest Management in India.	30
(iv) Agricultural Extension	32
Support to State Extension Programmes for Extension Reforms	32
(v) Horticulture	37
National Horticulture Mission (NHM)	37
(vi) Seeds	41
Development and Strengthening of Seed Infrastructure Facilities for Production and Distribution of Quality seeds	41

ANNEXURES

I.	Statement showing the Scheme-wise proposed Outlay & approved Outlay for 2012-13	54
II.	Steps taken/being taken to promote Private Investment in Agriculture	58
III.	Details of the progress made during 11 th Plan under the Rural Godown Scheme and Scheme for Development/Strengthening of Agricultural Marketing Infrastructure, Grading and Standardization	60
IV.	State wise details of proposals for XI Five Year Plan (2007-2008 to 2011-2012 till 31.01.2012) under the scheme 'Development and Strengthening of Infrastructure Facilities for Production and Distribution of Quality Seeds'	61
V.	Models of Public Private Partnerships (PPPs) in Agricultural Extension in various States	62
VI.	Projects set up through Private Sector investments under Horticulture Mission for North East and Himalayan States (HMNEH)	64
VII.	Private Sector investments under National Horticulture Mission during the 11 th Five Year Plan	65
VIII.	Status of Terminal Market Complex projects under NHM as on 12.03.2012	66
IX.	Statement showing progress of Rural Godown Scheme Capacity-wise (MTS)	74
X.	Components of the scheme of "Development and Strengthening of Infrastructure Facilities for Production and Distribution of Quality Seeds"	75

APPENDICES

I.	Minutes of the 28th Sitting of the Committee held on 12 April, 2012	80
II.	Minutes of the 31st Sitting of the Committee held on 26 April, 2012	83

COMPOSITION OF THE COMMITTEE ON AGRICULTURE (2011-12)

Shri Basudeb Acharia - Chairman

MEMBERS

LOK SABHA

2. Shri Narayansingh Amlabe
3. Shri K.C. Singh 'Baba'
4. Shri Thangso Baite
5. Smt. Shruti Choudhary
6. Smt. Ashwamedh Devi
7. Shri Biren Singh Engti
8. Shri Anant Kumar Hegde
9. Shri Deepender Singh Hooda
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13. Shri Surendra Singh Nagar
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15. Shri Vitthalbhai Hansrajbhai Radadiya
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RAJYA SABHA

22. Shri Shashi Bhusan Behera
- *23. Vacant
- \$24. Vacant
25. Shri A. Elavarasan
- ^26. Vacant
27. Shri Mohd. Ali Khan
28. Shri Upendra Kushwaha
29. Shri Bharatsinh Prabhatsinh Parmar
30. Shri Rajpal Singh Saini
31. Shri S. Thangavelu

\$ Vice Shri Satyavrat Chaturvedi who ceased to be the Member of the Committee on his retirement from Rajya Sabha on 02 April, 2012.

^ Vice Shri Vinay Katiyar who ceased to be the Member of the Committee on his retirement from Rajya Sabha on 02 April, 2012.

- * **Vice Shri Narendra Budania who ceased to be the Member of the Committee on his retirement from Rajya Sabha on 03 April, 2012.**

SECRETARIAT

1. Shri Deepak Mahna - Joint Secretary
2. Shri P.V.L.N. Murthy - Director
3. Shri C. Vanlalruata - Deputy Secretary

INTRODUCTION

I, the Chairman, Committee on Agriculture, having been authorized by the Committee to submit the Report on their behalf, present this Thirty-fourth Report on the Demands for Grants (2012-2013) of the Ministry of Agriculture (Department of Agriculture & Co-operation).

2. The Committee under Rule 331E(1)(a) of the Rules of Procedure considered the Demands for Grants (2012-13) of the Department of Agriculture and Co-operation, which were laid on the table of the House on 27 March, 2012. The Committee took evidence of the representatives of the Department of Agriculture & Co-operation, Ministry of Chemicals and Fertilizers (Department of Fertilizers) and the Planning Commission at their Sitting held on 12 April, 2012. The Committee wish to express their thanks to the officers of the Department of Agriculture & Co-operation, Ministry of Chemicals and Fertilizers (Department of Fertilizers) and the Planning Commission for appearing before the Committee and furnishing the information that they desired in connection with the examination of Demands for Grants of the Department.

3. The Report was considered and adopted by the Committee at their Sitting held on 26 April, 2012.

4. For facility of reference, the Observations/Recommendations of the Committee have been printed in bold letters at the end of each Chapter of the Report.

NEW DELHI;
26 April, 2012
6 Vaisakha, 1934 (Saka)

BASUDEB ACHARIA
Chairman,
Committee on Agriculture

ABBREVIATIONS

AES	Agricultural Extension System
APEDA	Agriculture and Processed Food Export Promotion Agency
APMCs	Agriculture Produce Market Committees
ASCI	Administrative Staff College of India
ATMA	Agriculture Technology Management Agency
BTT	Block Technology Team
CCEA	Cabinet Committee on Economic Affairs
CDB	Coconut Development Board
CRS	Community Radio Stations
CSO	Central Statistics Office
CSS	Centrally Sponsored Scheme
CWC	Centrally Sponsored Scheme
DAC	Department of Agriculture and Cooperation
EFC	Expenditure Finance Committee
FAs	Farmer Advisory Committees
FOs	Farmers Organisation
GB	Governing Board
GCF	Gross Capital Formation
GDP	Gross Domestic Product
HMNEH	Horticulture Mission for North East and Himalayan States
ICAR	Indian Council of Agricultural Research
ICRISAT	International Crops Research Institute for the Semi-Arid Tropics
IFFCO	Indian Farmers Fertiliser Cooperative Limited
IIPR	Indian Institute of Pulses Research
IPM	Integrated Pest Management
ISOPOM	Integrated Scheme of Oilseeds, Pulses, Oilpalm and Maize
IWG	Inter Departmental Work Group
KRIBHCO	Krishak Bharati Cooperative Limited
KVK	Krishi Vigyan Kendra
MANAGE	National Institute of Agricultural Extension Management
MRIN	Marketing Research and Information Network
MT	Metric Tonne

NAFED	National Agricultural Cooperative Marketing Federation of India Limited
NAIS	National Agriculture Insurance Scheme
NCDC	National Co-operative Development Corporation
NDC	National Development Council
NER	North Eastern Region
NFSM	National Food Security Mission
NGO	Non-Government Organisation
NHB	National Horticulture Mission
NHM	National Horticulture Mission
NIC	National Informatics Centre
NLA	National Level Agencies
NMMI	National Mission on Micro Irrigation
MMA	Macro Management of Agriculture
PPP	Public Private Partnership
PRIs	Panchayati Raj Institutions
RADP	Rainfed Area Development Programme
RIDF	Rural Infrastructure Development Fund
RKVY	Rashtriya Krishi Vikas Yojana
SAUs	State Agricultural Universities
SEWPs	State Extension Work Plans
SHGs	Self Help Groups
SHMs	State Horticulture Missions
SREP	Strategic Research and Extension Plan
STL	Seed Testing Laboratory
SWCs	State Warehousing Corporations.

CHAPTER – I

IMPLEMENTATION OF COMMITTEE'S RECOMMENDATIONS

The Twenty-second Report of Committee on Agriculture on Demands for Grants (2011-12) of the Ministry of Agriculture (Department of Agriculture and Cooperation) was presented to the Lok Sabha on 29, August, 2011. The Report was laid on the Table of Rajya Sabha on the same day.

1.2 In terms of Direction 73 A of Directions by the Speaker, Lok Sabha the Minister of Agriculture and the Minister of Consumer Affairs, Food and Public Distribution made a Statement in the Lok Sabha on 27 March, 2012 giving the status of implementation of various Recommendations made by the Committee in their Twenty-second Report.

1.3 On the basis of Action Taken Notes received from the Department in respect of the above Report on 26 December, 2012, the Committee presented their Twenty-eighth Report to Hon'ble Speaker, Lok Sabha on 16 February, 2012. The said Report was presented to the Lok Sabha and laid on the Table of Rajya Sabha on 29 March, 2012. Out of the 18 Recommendations of the Committee, 12 have been accepted by the Government. Replies to two Recommendations viz. Para Nos. 3.47 and 3.52 were of interim nature. The Committee commented upon the Action Taken Notes furnished by the Government in respect of Recommendations at Para Nos. 2.26, 2.27, 2.28, 2.29, 3.42, 3.44, 3.47, 3.50 and 3.52 in the Original Report.

1.4 The Committee note that the Action Taken Replies regarding the action taken by the Government on Recommendations contained in the Twenty-second Report of the Committee were not furnished by the Government within the stipulated three months. However, the Statement of the Minister under Direction 73 A was made within the stipulated six months period. The analysis of the action taken by the Government reveals that 67% Recommendations have been implemented. 22% Recommendations have not been implemented and 11% of Recommendations are in various stages of implementation. The Committee urge the Government to take conclusive action in the context these nine Recommendations.

CHAPTER – II

BUDGETARY ANALYSIS

Introductory

Agriculture is the principal source of livelihood for more than 58% of the population of this Country. Agriculture provides the bulk of wage goods required by non-agriculture sectors and most of the raw material for the industries sector. The combined efforts of Central Government, State Governments and the farming community have succeeded in achieving record production of 244.78 million tonnes of foodgrains during 2010-11. This record production has been achieved through effective transfer of latest crop production technologies to farmers under various crop development Schemes being implemented by the Department of Agriculture and Cooperation backed by remunerative prices for various crops through enhanced minimum support prices.

2.2 The Agriculture and Allied Sector is estimated to contribute approximately 13.9% of India's GDP (at constant 2004-05 prices) during 2011-12 as per advance estimated released by CSO on 07.02.2012. There has been a continuous decline in the share of Agriculture and Allied Sectors in the GDP from 16.8 percent in 2007-08 to 13.9 percent in 2011-12 at 2004-05 prices. Falling share of Agriculture and Allied Sectors in GDP is an expected outcome in a fast growing and structurally changing economy.

(ii) **Overview of Demands**

2.3 Demand No. 1 pertaining to the Department of Agriculture & Co-operation for the year 2012-13 was laid in the Lok Sabha on 27 March, 2012. It provides for implementation of various Central Sector, Centrally Sponsored and State Plan Schemes, for Plan and Non-Plan activities.

2.4 The macro-level break-up of Demand No. 1 is given below :

(Rs. in Crore)			
Section	Plan	Non-Plan	Total
REVENUE			
Voted	20145.15	321.62	20466.77
Charged	-	-	-
CAPITAL			
Voted	62.85	0.60	63.45
Charged	-	-	-
GRAND TOTAL	20208.00	322.22	20530.22

2.5 The total allocation for Department of Agriculture & Co-operation is Rs. 20530.22 crore for the Fiscal 2012-13. Out of this Rs. 20145.15 crore and Rs. 321.62 crore are on Plan and Non-Plan sides respectively under the Revenue Section. Similarly, Rs. 62.85 crore and Rs. 0.60 crore are on the Plan and Non-Plan sides respectively under the Capital Section.

2.6 The comparison of Revised Estimates for the year 2011-12 and Budget Estimates for 2012-13 is given in the table below:

(Rs. in crore)

	RE 2011-12		BE 2012-13	
	Plan	Non-Plan	Plan	Non-Plan
REVENUE	16451.85	309.66	20145.15	321.62
CAPITAL	63.20	0.60	62.85	0.60
Total	16515.05	310.26	20208.00	322.22
GRAND TOTAL	16825.31		20530.22	

The Revenue Section (Plan Side) RE for 2011-12 at Rs. 16451.85 shows a decrease of Rs. 599.42 crore from BE 2011-12 of Rs. 17051.27 crore. Similarly on Non-Plan Side, in comparison to BE 2011-12 of Rs. 399.40 crore, the 2011-12 RE allocation is only Rs. 309.66 crore. The BE for 2011-12 in the Capital Section Plan Side is Rs. 71.60 crore, in comparison to RE 2011-12 of Rs. 63.20 crore. On the Non-Plan Side there has been no change in BE and RE at Rs. 60 lakh for 2011-12.

2.7 For the Eleventh Plan the Planning Commission had approved an outlay of RS.66,577.00 crore for the Department of Agriculture and Cooperation. However, the Department was allocated Rs.59137.61 crore as BE. The allocation and expenditure for the Eleventh Plan period till date is as under :-

(Rs. in crore)

Year	BE	RE	Expenditure/ Release
2007-08	5560.00	6927.94	7058.50
2008-09	10105.67	9865.68	9530.30
2009-10	11307.07	10965.23	10870.15
2010-11	15042.00	17254.00	17052.59
2011-12	17122.87	16515.05	16354.66*
Total	59137.61	61527.90	60866.20

* Provisional

The above table shows that RE figures have exceeded the BE figures and actual expenditure has always been lower in comparison to the RE during the course of the Eleventh Plan.

2.8 On being queried as to why the funds allocated were not commensurate with the approved outlays, the Department in their written submission stated that Although Planning Commission had approved an allocation of Rs. 66577 crore for XI Plan, it provided Rs. 59137.61 crore at BE stage after taking into consideration resource availability and demands from other competing national priorities. In the XI Plan an amount of Rs. 3500 crore was provisioned for Rainfed Area Development Programme. However, this scheme was approved at the fag end of XI Plan as a part of RKVY. As such, only Rs. 250 crore could be utilized under this scheme. Further, as against provision for Rs.25,000 crore under RKVY during XI Plan, Planning Commission provided about Rs. 22,378 crore.

2.9 The Department also informed that RE exceeded the budget estimate in 2007-08 in order to provide funds for the implementation of NFSM and RKVY, which were newly introduced as per the recommendation of the National Development Council. Revised estimates were increased in 2010-11 in order to provide funds for payment of compensation to the farmers whose crops had been damaged in the nation-wide drought of 2009. It was further stated that actual expenditure has always been well above 95% of the amount finalized in the revised estimate.

2.10 When asked as to why the Department was unable to fully utilize the reduced allocation, the Secretary, Department of Agriculture and Cooperation during oral evidence submitted:

“Sir, most of the years the expenditure was between 97 to 99 per cent. Sometimes what happens is that like in the case of RADP we had been budgeting for three years but sanction did not come from the Planning Commission. This point was also raised in an earlier Committee during August. So, once or twice such situations have arisen. That is why the progress is not hundred per cent. This year it is almost at hundred per cent. I think it is 99 per cent. Last year also it was 99 per cent”.

2.11 In response to the query regarding allocation not being commensurate with the approved outlay during the course of the Eleventh Plan Period and the reasons for the same, the representative of the Planning Commission stated as under:

“My submission on these four-five points is as follows. Sir, the criteria that the Planning Commission adopts for allocation of resources to Department of Agriculture is this. There are three or four basic parameters that we account for. One is expenditure in the previous year. Second is absorption capacity and overall performance of the previous 2-3 years. Then, we take into account the new initiatives and programmes that the Department has proposed. The criterion, which is very important in deciding allocation, is the overall resource position available with the Planning Commission. Last but not least is the issue of sectoral priorities. For example, in 2012-13, the Agriculture Division – Member (Agriculture), Member (Science) – who deals with Indian Council of Agriculture Research matters, has fought a big battle in the Planning Commission for more allocation for the Agriculture sector as a whole. But then, sectors like health, education, etc. get *inter se* priority but nevertheless agriculture continues to be one of the priority sector. As hon. Agriculture Secretary has mentioned, the year-wise allocation is progressively moving up.”

2.12 As against a proposed outlay of Rs.49674.34 crore for the Annual Plan 2012-13, the Planning Commission have approved an outlay of Rs 20,208.00 crore including Rs. 9217.00 crore for RKVY. Out of the approved outlay 10% has been earmarked for the North-Eastern States as per the extant guidelines

2.13 When asked to furnish the reasons put forth by the Planning Commission for this reduced allocation, the Committee were informed that the Planning Allocation has approved an amount of Rs. 20,208 crore for 2012-13, including Rs 9217 crore for State Plan Scheme (RKVY) after taking into consideration availability of resources and other competing national priorities/objectives.

2.14 The Department of Agriculture and Cooperation had stated that reduction in allocations results in reduction in size of operation of Schemes. For 2012-13 the reduced allocation of Rs.20,208 crore has resulted in reductions in plan allocations for most of the Schemes. The Schemes which saw major reduction were RKVY, National Agricultural Insurance Scheme, National Mission for Sustainable Agriculture and National Mission on Agricultural Mechanization. Plan allocation of Department of Agriculture and Cooperation has, nevertheless, increased from Rs. 17,122 crore in 2011-12 to Rs. 20208 crore in 2012-13. There has, thus, not been actual reduction in allocation for agriculture and allied activities. A statement indicating scheme-wise projection of requirement and allocation of funds for 2012-13 is at **Annexure I**.

(iii) Investment in Agriculture

2.15 The Ministry have stated that as a result of initiatives taken by Government, share of public investment in Gross Capital Formation in agriculture and allied sectors has been going up in recent years. During 2004-05 to 2007-08, total investment in agriculture increased in the range of 8% to 14.2% per annum. Public sector investment increased faster, in range of 17.6% to 22.5%. This trend continued in subsequent years. The Plan Outlay on various Schemes of Department of Agriculture and Cooperation has increased substantially from Rs. 9865.68 crore in 2008-09 (RE) to

Rs.17122.87 crore in 2011-12 (BE). Increase is mainly due to substantially higher allocation under Rashtriya Krishi Vikas Yojana (RKVY), which was launched in 2007-08 with aim to boost agricultural growth rate and to incentivize States to increase public investment in agriculture and allied sector. Actual expenditure during 10th Five Year Plan was Rs.14952.36 crore against approved outlay of Rs.16093.32 crore. Out of total outlay of Rs.66577 crore for the Eleventh Plan, the anticipated expenditure upto 2011-12 will be Rs. 61835.72 crore.

2.16 Gross Capital formation (GCF) investment in Agriculture and allied Sectors relative to GDP in this sector has been showing a steadily increasing trend from 13.5 percent in 2004-05 to 20.1 percent in 2010-11 as is depicted in the table below.

Gross capital Formation (GCF) in Agriculture and Allied Sectors at 2004-05 prices

(Rs. in Crore)

Year	GCF	GDP	GCF/GDP (in%)
1	2	3	4
2004-05	76096	565426	13.5
2005-06	86604	594487	14.6
2006-07	92057	619190	14.9
2007-08	105741	655080	16.1
2008-09	127127	655689	19.4
2009-10	131139	662509	19.8
2010-11	142254	709103	20.1

2.17 While deposing before the Committee, Secretary Department of Agriculture and Cooperation on the aspects of GCF and GDP also stated that:

“The other important thing for us to know is that about 15 per cent of the GDP comes from agriculture and about 52 per cent of the population is depending upon agriculture. The only good thing that has happened on this front is that GCF of agriculture as the share of agriculture GDP has been going up. That at least has happened which is a positive thing. That means investment in the sector is going up. But my understanding is that unless we can resolve the issue that 60 per cent population living on 15 per cent of the GDP, we are not going to get agriculture out of this vicious cycle of poverty. That can only be done if the population living on land and agriculture primarily is weaned away from this sector to some other sector. Therefore, the strategy of the Country should be that we should have a massive programme on skill development for people who are now in agriculture and absorb them in micro, small and medium industrial sector. They need not have to go out of the village. Their skill can be developed so that their skill can be utilized within the village. As a broad strategy, the Country should take that route. Our intention of putting this here is to mainly draw the attention to this very fact that there is a problem in this sector and it can be rectified only when we look at other sectors. I have mentioned this at some other place in the report”.

2.18 When queried about the adequacy / inadequacy of the extant investment in agriculture, the Secretary of the Department during oral evidence further stated as under.

“We feel that there is a tremendous scope of increasing investment there. If you take the larger picture, with the current quantum of public investment, the plan allocation of Rs.20,000 crore that we have now, and taking the capital output ratio of the agriculture sector, the growth will be nowhere near four per cent even if you add the private sector investment. So, the crying need is of increasing investment. I am not trying to fight with other Departments. But the Rural Development Department and the Agriculture Development Department work in the same areas. We address more or less the same people. We have a budget of Rs.20,000 crore this year but till few years back it was far less. Even if it is Rs.20,000 crore, it is less than half of the Budget of the Ministry of Rural Development. So, we felt that we must also have a programme of about Rs.40,000 crore or Rs.50,000 crore for one year and we were confident that we could absorb it”.

2.19 The Secretary also stated that:-

“Another big area where we will have to take a lot of steps is sustainable agriculture because of climate change. We had asked for about one hundred

thousand crores of rupees additional funds for the Plan period. Now, if that is not provided and God forbid there is adverse climate effect, then the production will not go up; production will either stabilize or go down. The Country needs to put that money into agriculture.

Therefore, my plea would be that agriculture sector should be viewed as a sector where primarily we need a lot of investment and the current level of investment, perhaps, will not be sufficient.”

2.20 The steps taken by the Government to promote private investment in agriculture sector by way of providing financial assistance through subsidies, venture capital assistance, fiscal incentives, public-private-partnerships are indicated in **Annexure-II**.

2.21 On the question of the results of the initiatives taken to encourage private investment in agriculture, the Department further stated as under :

“(i) Since inception, private sector investment has increased manifold under the Rural Godown Scheme and Scheme for Development/Strengthening of Agricultural Marketing Infrastructure, Grading and Standardization for creation of storage facilities and development of agricultural Marketing infrastructure are at **Annexure-III**.

During the year 2011-12, the production of certified/quality seeds in the Country has reached around 353.62 lakh quintals out of which about 51% is produced by govt. agencies and balance 49% is being produced by private seed companies.

(ii) State wise details of proposals for XI Five Year Plan (2007-2008 to 2011-2012 till 31.01.2012) under the scheme ‘Development and Strengthening of Infrastructure Facilities for Production and Distribution of Quality Seeds’ are given at **Annexure-IV**.

(iii) Private Sector participation in extension activities is a State level activity. However, the Department has information on successful models of PPP mode of extension work done through formal MOUs/Agreements in 8 States namely Madhya Pradesh, Rajasthan, Uttar Pradesh, Punjab, Himachal Pradesh, Andhra Pradesh, Bihar and Jharkhand. Brief information on PPP models in respect of these States is at **Annexure-V**.

(iv) Details of the projects set up through Private Sector investments under Horticulture Mission for North East and Himalayan States (HMNEH) are at **Annexure-VI**.

(v) Component-wise private investment under the National Horticulture Mission (NHM) during the XI Five Year Plan is detailed at **Annexure-VII**.

(vi) The status of Terminal market Complexes being set up under NHM is given at **Annexure-VIII**”.

2.22 On the aspect of evaluation studies carried out by the Department on the role and contribution of private investment in agriculture and its overall impact on agriculture sector, the Department stated that while the Department of Agriculture & Cooperation has not directly conducted any study on this subject, several studies by renowned institutions such as Indira Gandhi Institute of Development Research, Reserve Bank of India, Delhi School of Economics etc. demonstrated that there is a positive relationship between agricultural growth and investment in agricultural sector. Further, public investment crowds in private investment and increase in public investment is found to have positive impact on private investment. While public investment in agriculture is critical and important, it forms only about 20% of the total investment in agriculture sector; the remaining 80% comes from the private sector. While public sector investment in agriculture is undertaken for building necessary infrastructure, private investment in agriculture is made for augmenting productivity of natural resources and undertaking such activities which supplement income sources of farmers. Further, the private sector responds much better and faster to the incentive structure in agriculture. Increased share of private investment in agriculture also tends to improve the efficiency of capital use. There is a need to create a favourable policy and development support environment for private sector to fill the investment gap in agriculture.

(iv) Major Initiatives for Twelfth Plan

2.23 The Department have stated that they are implementing as many as 53 Schemes in 2011-12 Central Sector- 40, CSS 11 & State Plan- 2. With so many Schemes operating simultaneously, there are areas of overlap/duplication. During Mid-Term Appraisal of Eleventh Plan, Department of Agriculture and Cooperation was advised to

streamline and restructure Schemes. Accordingly existing Schemes have been realigned to remove duplication/overlaps. The Department proposes to implement Seven National Missions to address the issues pertaining to agriculture, which are as follows:

- (i) **NATIONAL MISSION ON SEEDS & PLANTING MATERIAL** for addressing national priorities and objectives of adequate production of seed and planting material, hybrids, promotion of new technologies like tissue culture etc.
- (ii) **NATIONAL FOOD SECURITY MISSION** for food security with the objective of producing specified additional production of rice, wheat and pulses during 12th plan over the level of production achieved in the triennium ending 2012. This mission would also address coarse cereals (nutri-cereals and maize) production with specific regional focus and with specific targets.
- (iii) **MISSION ON OILSEEDS & OIL - PALM** for producing additional edible oilseeds by the end of 12th plan for a specific level of self-sufficiency in edible oils in the Country.
- (iv) **NATIONAL HORTICULTURE MISSION** including within its fold HMNEH and programmatic part of other Schemes like National Horticulture Board, Coconut Development Board and other minor Schemes, for achieving the objective of raising production of fruits, spices and vegetables by a specific percentage during 12th Plan.
- (v) **NATIONAL MISSION ON SUSTAINABLE AGRICULTURE** for undertaking interventions for addressing climate change issues, and for addressing water conservation, water management and water efficiency issues, issues of soil fertility and sustainability of natural resources use and rainfed agriculture issues in a holistic manner, including programme of drip and sprinklers presently under Micro Irrigation Scheme.
- (vi) **NATIONAL MISSION ON FARM MECHANISATION AND ENERGY** for farm mechanization and energy application/efficiency considering demand of labour availability as well as for enhancing efficiency/productivity with use of farm machinery and power, besides addressing issues of efficiency and productivity of electric power use.
- (vii) **NATIONAL MISSION ON AGRICULTURAL EXTENSION AND TECHNOLOGY** for strengthening of Agriculture Extension and Information Technology Services in a better way.

2.24 It was further stated that during the Twelfth Plan, the Department envisages

- Existing policy initiatives to continue;
- Increase production through increase in productivity;
- Cause Green Revolution in Eastern India;
- National Mission on Sustainable Agriculture;
- Increase in coverage of area under assured irrigation;

- Infrastructure development for market linkages, storage capacity, PHM;
- Capacity building of farmers in technology adoption;
- Emphasis on quality production for export market;
- Removal of technology fatigue.

2.25 In response to a query on multiplicity of Schemes and if the Department proposed to integrate Schemes or keep them separate, the Secretary of the Department during his oral deposition stated as under:

“We have an existing scheme as you mentioned. But I explained a few minutes back that we are planning to have, from the existing 53 odd Schemes of the Department, five national priority Schemes and RKVY, and in the national priority Schemes, one mission will be Mission on Extension and Technology where technology shall include seed and farm mechanisation. But when the Budget was prepared, at that point of time this scheme had been not cleared in principle by the Planning Commission. Therefore, we kept Rs.1 crore as a token provision so that at supplementary stage, if the scheme will be cleared by then, we can budget for that. The new scheme will subsume the old scheme but because of the budgeting problem, we have kept the old scheme alive and just made a provision for the new scheme so that the budget line is created.

There will be one mission, National Mission on Extension and Technology which shall include under technology the whole of the seed mission. That was the advice of the Planning Commission which we accepted because they wanted to further reduce the number of Schemes. The new scheme, while it will have all the old components of the old scheme, will have several new components”

(v) Finalization of Twelfth Plan

2.26 Based on the experiences of the last Plan Period wherein delay in finalizing the Plan document had thrown the whole system of into disarray leading to staggering of timelines and under-utilization of funds, the Committee in their Twenty-second Report on Demand for Grants 2011-12 had desired that the necessary formalities be carried out well in advance so that the Twelfth Plan can be implemented from day one i.e. 1 April, 2012.

2.27 On being queried as to whether the Twelfth Plan document had been finalized, the Department stated that the same was yet to be finalized. The Committee were further informed that 'in principle' approval of Planning Commission has been received in respect of National Food Security Mission, National Horticulture Mission, National Mission on Agricultural Extension & Technology, Technology Mission on Oilseeds & Oil Palm, National Mission for Sustainable Agriculture and Farmers' Income Security Scheme. In principle approval for the remaining Schemes is expected to be received shortly. These Schemes will then be evaluated and appraised in consultation with other Departments and stakeholders and approved by EFC/CCEA as per the established procedure. No delay is anticipated in obtaining approvals for these Schemes in view of the fact that the Finance Minister, in the Budget speech for 2012-13, has highlighted the intention of Government to continue to implement Rashtriya Krishi Vikas Yojana & merge other activities of the Department into a set of Missions, namely National Food Security Mission, National Mission on Sustainable Agriculture including Micro Irrigation, National Mission on Oilseeds and Oil Palm, National Mission on Agricultural Extension & Technology and National Horticulture Mission to address the needs of agricultural development in the Twelfth Five Year Plan. It may also be pointed out that the Department would continue to implement all the existing Schemes as per existing cost norms & patterns of assistance, till such time that approvals for the new Schemes are received.

2.28 In response to a query if any of the Schemes of the Department would suffer due to the delay in finalisation of Twelfth Plan, the Secretary of the Department during oral evidence submitted as under:

“The situation is not so bad. Let me give you some good news also. For instance, the Finance Minister had announced seven Schemes in 2010-11 and two Schemes this time – BGREI and the Vidarbha initiative on irrigation.

There, the Planning Commission had, in fact, simplified matters for us by putting the allocation under the RKVY. So, we did not waste a single day. Before the year ended, we had been able to issue the guidelines; and in April released the money also. This time also you would have kindly seen that we had proposed a few national priorities to the Planning Commission and the Finance Ministry. One was Food Security; second was Horticulture Mission; third was Mission on Sustainable Agriculture; fourth was Mission on Oilseed and Oil palm; and fifth was Mission on Extension and Technology where technology included seed as well as mechanisation”.

2.29 The representative of the Planning Commission on being queried by the Committee about the reasons for this delay in finalization of the Twelfth Plan stated as under:

“As far as Agriculture Division in the Planning Commission is concerned, I must submit here that all the proposals which were submitted to the Planning Commission for ‘in principle’ approval, particularly the ‘mission mode’ programmes which are going to be very important in the 12th Plan, have been cleared in March and April. At the same time, I must also mention that the year 2012-13, which is the first year, the Plan allocation is on the higher side. But, for the Plan as a whole, we will have a couple of months more to get a better picture. I must bring it to the notice of the Committee that the planning process is a long-term process; we have been working for the last one year; the Working Group Reports are available with the Planning Commission; and the Working Group Reports are being examined by the Steering Committee. This time the Steering Committee is headed by Member (Agriculture) who is also Member (Financial Resources).

One more thing with reference to the Plan formulation is that the Steering Committees are almost getting ready with their final reports. Members are busy in drafting the sectoral chapters. Maybe by July we should be able to provide input for the NDC. I am again trying to impress upon you that the year 2012-13 is the first year of the Plan and we have been able to provide on an average 15 to 18 per cent upscaled outlays. The remaining four years perhaps will have a little

more consideration when we finalise the outlays for the Plan as a whole and get the NDC approval”.

He further stated that:

“Sir, as I mentioned in the morning session, it will take a couple of months more to finalise the investment proposals and submitting to the National Development Council (NDC). Most of the proposals coming from Krishi Bhawan, we have discussed them in the Planning Commission a number of times. But the final view on the investments would emerge once our Steering Committee Report is finalized and chapterisation for the Plan is finalised. I repeat it will take a couple of months more to get a clear picture. Nevertheless, for the first year, we have increased outlays to the tune of 15 to 18 per cent across the departments”.

2.30 On specific suggestion of the Committee to fasten up the process of finalization of the Twelfth Plan document, the representative stated that he was aware of the Committee’s concern and would carry it back.

2.31 The evaluation of some important Schemes being implemented by the Department have been discussed in next Chapter.

Allocation and Utilization of Funds

2.32 During the course of the Eleventh Plan period the Committee have repeatedly observed that in spite of the Department’s expenditure being in the range of 95% of the amount finalized in the revised estimates, the Department were not allocated the entire approved outlay of Rs.66577.00 crore by the Planning Commission. They are of the opinion that had the balance Rs.5049.10 crore been allocated, the implementation of Schemes would have been much better. The Committee further observe that the allocations at BE vis-à-vis RE stage fluctuated in that while the fiscals 2007-08 and 2010-11 showed increased RE, in the remaining three Fiscals the RE was less than the approved BE. They are pained to note that their constant pleas to rectify the imbalances have gone

unheard during the Eleventh Five Year Plan. However, keeping in view the interest of Indian agriculture they cannot but reiterate their recommendation yet again. As the Twelfth Five Year Plan has just commenced, the Committee impress upon all the agencies concerned i.e. the Planning Commission and the Ministry of Finance (Department of Expenditure) to adopt a holistic approach and not hold the past as a benchmark. The allocation of funds to the Department must be evenly spread across all the five fiscals so as to avoid backloading of plan funds. This would ensure that the Department is allocated maximum funds out of the approved outlay and it is able to absorb these funds easily and ensure optimum utilization of allocated resources. This in the opinion of the Committee would bring the figures of approved outlay and actual allocations on an even keel.

2.33 The Committee also observe that the Department have not been able to entirely utilize even this reduced allocation during the last five fiscals. Being well aware of the reasons for this, they exhort the Department to take steps to utilise even the reduced allocations to the hilt as in the entire Eleventh Plan period, the Department consistently failed to utilise the reduced allocations completely, by motivating the States / UTs to send their proposals as well as utilization certificates timely, thereby ensuring uniform pace of utilization of funds in each fiscal year. They also desire the Department to incorporate the views of States / UTs while drawing up the modalities of a Scheme. This in their considered opinion would ensure active participation of States / UTs in all Central Schemes as well as ensure optimum utilization of scarce resources. They would like to be apprised of the action taken in the matter.

Investment in Agriculture

2.34 The Committee note that in spite of the increase in public sector investment in agriculture being in the range of 17.6% to 22.5% and the Gross Capital Formation (GCF) in Agriculture and Allied Sectors at 2004-05 prices for the fiscal 2010-11 being 20.1%, they are of the strong opinion that this is a meagre amount considering the fact that agriculture is the principal source of livelihood for 58% of the populace. The candid acceptance of the Department that the present level of public investment is inadequate and funds crunch is retarding the progress of a number of vital Schemes further buttresses their opinion. They were also flummoxed to note that the budget of the Department was not even 50% of the budget of the Rural Development Department, when both the Departments are operating in the same setup. Keeping in view the stark reality that 60 percent of the population is living on 15 percent of the GDP, the Committee exhort upon the Planning Commission to go for a quantum enhancement of public investment in Agriculture sector during the Twelfth Plan Period so as to make it a sustainable and viable option for those who brave umpteen odds to venture into this vocation. The Committee also implore upon the Government to break free from the shackles of their extant piecemeal approach towards agriculture sector and go for a holistic approach. Not only will this change in approach ensure a turnaround in the agriculture sector but also align it on the path of sustainable growth, which it is craving for long.

Major Initiatives for Twelfth Plan

2.35 The Committee are happy to note that the Department had finally acted upon their recommendation contained in their Twenty-second Report of reducing the number of Schemes for the Twelfth Plan. This was based on the admission of the Department that due to the good response it had elicited from States / UTs from Rashtriya Krishi Vigyan Yojana (RKVY) which under its umbrella had a plethora of Schemes and allowed States / UTs a certain degree of flexibility and a sense of participation and partnership as well. From 53 Schemes in the fiscal 2011-12, the Department have pruned it down to Seven National Missions to address issues pertaining to agriculture. These are (i) National Mission on Seeds and Planting Material; (ii) National Food Security Mission; (iii) Mission on Oilseeds and Oil-Palm; (iv) National Horticulture Mission; (v) National Mission on Sustainable Agriculture; (vi) National Mission on Farm Mechanisation and Energy; and (vii) National Mission on Agriculture Extension and Technology. The Department's contention is that the by reducing the number of Schemes being implemented by them they would be able to avoid overlapping as well as duplication of Schemes. They therefore, desire upon the planners to accord clearance to these revolutionary proposals at the earliest and ensure its implementation in quick time. They desire to be apprised of the action taken in this regard at the earliest.

2.36 Having experienced the protractedness in finalizing the Eleventh Plan document by the agencies involved which had a cascading effect in terms of staggering of timelines and backloading of funds, the Committee in their Twenty-second Report had recommended that the Planning Commission and other

concerned agencies streamline the planning process and ensure timely finalization of the Twelfth Plan document and convey the same to all line Ministries / Department by 31 December, 2011 so that they are able to complete all necessary formalities at their end in the last quarter of the fiscal 2011-12 and be in all readiness to implement the Twelfth Plan Schemes from day one i.e. 1 April, 2012. However, much to their chagrin they have been apprised that the Twelfth Plan document is yet to be finalized and would take another three to four months before it is placed before the National Development Council. Concerned at this rather sordid state of affairs of the extant planning process riddled with multi level clearances which are time consuming, the Committee recommend that all concerned should keep in view the detrimental effect of this time consuming process on the development of all sectors and finally wake up and undertake concrete steps to get the Twelfth Plan Document finalized within the next three months at the earliest and avoid a repetition of the fate of Eleventh Plan Document.

CHAPTER – III

EVALUATION OF SCHEMES

(i) Crops

National Food Security Mission (NFSM)

In view of the resolution accepted by the National Development Council (NDC) to launch a Food Security Mission in the Country to enhance the production of rice, wheat and pulses by 10, 8 and 2 million tonnes, respectively by the end of XI Plan, a Centrally Sponsored Scheme on 'National Food Security Mission' has been launched from Rabi, 2007-08 with three major components viz. NFSM-Rice, NFSM-Wheat and NFSM-Pulses. The aim of the Mission is to increase production of rice, wheat and pulses through area expansion and productivity enhancement; restoring soil fertility and productivity; creating employment opportunities; and enhancing farm level economy to restore confidence of farmers of targeted districts.

3.2 The following main strategies are being followed under the scheme:

- (i) Implementation in a mission mode through active engagement of all the stakeholders at various levels;
- (ii) Promotion and extension of improved technologies i.e. seed, integrated nutrient management including micro-nutrients, soil amendments, IPM and resource conservation technologies along with capacity building of farmers;
- (iii) Flow of funds would be closely monitored to ensure that interventions reach the target beneficiaries in time;
- (iv) Various interventions proposed would be integrated with the district plan and targets for each identified districts would be fixed; and
- (v) Constant monitoring and concurrent evaluation for assessing the impact of the interventions for a result oriented approach by the implementing agencies.

3.3 NFSM is presently being implemented in 482 identified districts of 19 States in the Country. The programme is implemented through the State Department of Agriculture, ICAR, Central and State Seed Producing Agencies, KRIBHCO, NAFED, IFFCO, IIPR, Kanpur, ICRISAT etc. Panchayati Raj Institutions are actively involved for undertaking following activities:

- (i) Selection of beneficiaries and identification of priority areas for the implementation of Mission interventions; and
- (ii) Implementation of local initiatives in identified districts.

3.4 The expenditure for implementation of the scheme is 100% funded by the Government of India. Beneficiary farmers have to contribute 50% of cost of the activities to be taken up at their / individual farm holdings. Beneficiaries may choose to draw loans from the Banks, in which case subsidy amount prescribed for a particular component for which the loan has been availed will be released to the Banks.

3.5 Financial allocation and expenditure during the course of the Eleventh Plan is as under:

The Year Wise details of Allocation & Expenditure of NFSM-Scheme are as under :-

(Rs. in crore)				
S.No	Year	BE	RE	Expenditure
1.	2007-08	402.00	398.75	398.73
2.	2008-09	1100.00	1023.00	883.29
3.	2009-10	1350.00	1074.00	1019.16
4.	2010-11	1350.00	1277.13	1280.06
5.	2011-12	1350.00	1316.00	1286.00
	Total	5552.00	5095.64	4867.24

Allocations have been reduced at RE stage due to the fact that only two North-Eastern States i.e. Assam and Tripura (of which Tripura was covered only during 2011-12) are covered under the scheme, whereas 10% of allocation is earmarked for

NER. Taking the crop area of these states into consideration, they are not in a position to exhaust the entire allocation for NER.

3.6 During 2009-10, initially more allocation was made for NFSM-Pulses on account of its expansion to include area under ISOPOM and towards implementation of new initiative of Accelerated Pulse Production Programme. However the Programme was approved by Cabinet Committee on Economic Affairs (CCEA) only at the end of February, 2010 and hence could not be implemented during 2010. Moreover, allocation under National Agriculture Insurance Scheme (NAIS) was enhanced from Rs. 644 crore to Rs.1419 crore at RE stage because of increased demand during 2009-10 for payment of compensation to farmers whose crops had been damaged due to widespread drought. Hence savings under Pulses component were diverted to NAIS to meet the insurance demand of farmers, resulting in reduction of NFSM Budget to Rs.1074 crore at RE stage.

3.7 In response to a query with regard to physical targets set yearly and the achievement under National Food Security Mission (NFSM) since its introduction in 2007 to increase food grains production by 20 million tonnes (10 million tonnes of rice, 8 million tonnes of wheat and 2 million tonnes of pulses) by the year 2011-12, the Department stated that the mission has already delivered additional food grain production of about 24 million tonnes by 2010-11. Highest ever food grain production of 250.41 million tonnes is estimated during 2011-12 as per Second Advance Estimate of Directorate of Economics and Statistics in the Ministry of Agriculture. The efforts of NFSM were further strengthened through new initiatives under RKVY. All the efforts taken during XI Plan has created enabling environment in agricultural development and

resulted in an additional production of 166.33 million tonnes of food grains during the Plan period as compared to the X Plan.

3.8 The initiatives taken by the Ministry have yielded good results and the estimated production of food grains during 2011-12 is likely to reach a record level of 250.4 million tonnes which is 6.4 million tonnes higher than Planning Commission's projected demand of 244.0 million tonnes. The most heartening achievement could happen in the Eastern region of the Country with record increase of about 20% in rice production over 2010-11. Further, the cumulative increase in food grains production during 11th Plan is 166.0 million tones as compared to the food grain production at the end of the 10th Plan period. The comparative figures of foodgrains produced during Tenth Plan and Eleventh Plan (year-wise) is given in the table below:

(Million tonnes)

	Total Production during X Plan	2007-08	2008-09	2009-10	2010-11	2011-12	Total of XI Plan
Rice	428.62	96.69	99.18	89.09	95.98	102.74	483.68
Wheat	351.71	78.57	80.68	80.8	86.87	88.31	415.23
Pulses	66.76	14.76	14.57	14.66	18.24	17.28	79.51
Foodgrains	1012.20	230.78	234.46	218.10	244.78	250.41	1178.53

3.9 Having observed that the performance of this scheme was not upto the mark in the North Eastern Region, the Committee had recommended in their Twenty-second Report that the coverage of this scheme be widened in this Region. In response, the Department have stated that as the other States / Districts of North-East Region do not fulfil the laid down criteria, coverage of the Scheme cannot be increased in this region. However they also informed that the concern of the Hon'ble Committee is proposed to be addressed by the revamped NFSM for the 12th Plan which envisages the inclusion of

all States / Districts in the Country, including all States of the North East under the scheme.

3.10 During the course of oral deposition before the Committee, Secretary, Department of Agriculture and Cooperation stated:

“Some money gets surrendered in the North East in NSFM in all the years and bulk of the savings is from the North East. That is why we included Tripura and Assam also. After that, things have improved because NSFM has certain restrictions in the guidelines – which districts can be chosen”.

(ii) Agricultural Marketing

(a) Marketing Research and Information Network (MRIN)

3.11 The scheme of MRIN was launched in March, 2000 to establish a nationwide information network by providing electronic connectivity to important Agricultural Produce Markets spread all over the Country, the State Agricultural Marketing Board and Directorates. More than 3000 market nodes have been linked to the Central Portal ‘Agmarknet’ and these markets are reporting daily prices in respect of more than 300 commodities and 2000 varieties. Besides spot prices, the portal also provides access to futures prices, MSP and international commodity prices. For further strengthening the Agricultural Marketing Information Network in the Country, the remaining wholesale markets would be connected with Agmarknet.

3.12 The financial progress of this scheme as on date during the Eleventh Five Year Plan is as follows:

(Rs. in crore)

Year		
	Target	Achievements
XI Plan (Rs. 15.00)		
2007-08	3.38 (RE 2.00)	1.56
2008-09	3.00 (RE 2.00)	1.05
2009-10	3.00 (RE 1.05)	0.9579
2010-11	3.50 (RE 1.00)	0.59
2011-12	2.00 (RE 2.00)	1.22

3.13 On being queried about the abysmally low utilization of funds by States, the Department in their written submission stated that funds are released to the implementing agencies on the basis of proposals received from them under the various components of the scheme. The State Agricultural Marketing Board/Directorate send the proposals for installation of Computers and connectivity under the scheme when they have inadequate infrastructure for same. During the XI Plan period, for supply of 590 new Computers and replacement of 666 old Computers, an expenditure of Rs. 8.55 crore has been incurred in the current financial year to be met from within the savings available with NIC from earlier releases in IX and X Plan periods. This is a major amount of expenditure which has not been reflected against the achievements during XI Plan. If this amount of Rs. 8.55 crore is added to the Achievement (expenditure) column, it would not reflect as low utilization of fund under the scheme.

3.14 It was further stated that the draft report of Working Group for XII Five Year Plan has suggested to merge the scheme with RKVY which is being considered in consultation with Planning Commission. States/UTs have not specifically asked for any

change regarding the modalities of this scheme. However, the proposal to merge the scheme under the RKVY (Infrastructure and Assets) is under consideration.

3.15 The Committee were further informed that the State Agricultural Marketing Boards/ Directorates/APMCs are being regularly pursued to improve the internet connectivity and reporting of data at various levels through video conferences from the Head office with the States and also pursued through regional/sub-offices stationed in different States/UTs on monthly basis.

(b) Grameen Bhandaran Yojana

3.16 The Grameen Bhandaran Yojana was launched on 1 April, 2001. The main objectives of the scheme include creation of scientific storage capacity with allied facilities in rural areas to meet out various requirements of farmers for storing farm produce, processed farm produce, agricultural inputs, etc., and prevention of distress sale by creating the facility of pledge loan and marketing credit. Under the scheme w.e.f. 26/06/2008, subsidy @ 25% is being given to all categories of farmers, Agriculture graduates, cooperatives & CWC/ SWCs. All other categories of individuals, companies and corporations are being given subsidy @ 15% of the project cost. In case of NE States/hilly areas & SC/ST entrepreneurs and their cooperatives and Women Farmers, subsidy is 33.33%. The Committee have further been informed that the scheme has been recently revised for making it more attractive by enhancement of maximum capacity to 30,000 MT with maximum ceiling on subsidy of Rs. 3 crores for other than North Eastern States & for North Eastern States the maximum capacity is 25,000 MT with maximum ceiling on subsidy of Rs. 3.333 crores. The project for construction of

rural godowns can be taken up by individuals, farmers, Group of farmers/growers, Partnership/ Proprietary firms, Non-Government Organizations (NGO's), Self Help Groups (SHGs), Companies, Corporations, Co-operatives, Local Bodies other than Municipal Corporations, Federations, Agricultural Produce Marketing Committees, Marketing Boards and Agro Processing Corporations in the entire Country. The scheme is demand-driven and not location specific. Banks sanction the projects depending on viability. During the XI Plan period from April, 2007 to December, 2011, 11610 rural godown projects having a capacity of 117.44 lakh tonnes and a subsidy release of Rs.424.65 crores have been sanctioned under the scheme.

3.17 The financial progress of the Grameen Bhandaran Yojana Scheme during the Eleventh Plan is as follows:

(Rs. in Crore)

Year	BE	RE	Actual Expenditure
2007-08	70.00	70.00	69.96
2008-09	70.00	80.00	79.99
2009-10	70.00	68.00	60.94
2010-11	100.00	100.00	109.79
2011-12	150.00	150.00	127.01

3.18 Year-wise and State-wise capacity created under Grameen Bhandaran Yojana during XIth Plan (upto 31.03.2011) is enumerated at **Annexure – IX**.

3.19 In response to a query regarding the actual capacity of these godowns and their actual utilization, the Secretary of the Department stated as under:

“In the 10th Plan, the target was 121 lakh MT and the achievement was 182.17 lakh MT. In the whole of the 11th Plan, the target was 90 lakh MT and achievement upto February, 2012 was 128 Lakh MT. This is a very popular scheme. It is one scheme where we find that the States want more and more to add rural godown capacity. Therefore, we have done two things. One is that we have increased the allocation under the Rural Godown Scheme this year in 2012-13”.

He further stated:

“We have given a substantial jump. Second is that there were certain procedural problems in the sense the yardsticks we had, were old. So, we had done that revision. Thirdly, what we have done is that we have tried to involve National Cooperative Development Corporation (NCDC). They are also funding a lot of rural godown and having discussion with the States.

You would recall, Sir, that the hon. FM last had given Rs. 2000 crore under the RIDF for warehouses. NABARD tells me that many State Governments are utilising that money now. This year, I believe, they are increasing the amount from Rs. 2,000 crore. So, I think, this year our physical performance should be better because more money will be available for us. Till last year, we had more demand and we did not have enough money to the States”.

3.20 In response to a specific query regarding availability of data from all States / UTs regarding capacity utilization of Rural Godowns created in the XIth Plan, the Secretary stated that off hand the information was not in his possession. However, he would collect the information and furnish the same to the Committee.

(iii) Plant Protection

Strengthening and Modernization of Pest Management in India.

3.21 Plant Protection continues to play a significant role in achieving targets of crops production. Major thrust areas of plant protection are promotion of Integrated Pest Management (IPM), ensuring availability of safe and quality pesticides for sustaining crop production from the ravages of pests and diseases, streamlining quarantine measures for preventing entry of exotic pests, and human resource development in plant protection skills.

Integrated Pest Management approach has been adopted as the main plank of plant protection strategy in the Country in the overall crop production programme. IPM is a broad ecological approach for managing pest problems encompassing available methods and techniques of pest control such as cultural, mechanical, biological and

chemical in a compatible manner. The objectives of the IPM approach are to increase crop production with minimum input costs, minimize environmental pollution and maintain ecological equilibrium.

3.22 Allocation and Expenditure for “Strengthening & Modernization of Pest Management in India” is listed below:

(Rs. in Crore)

Year	BE	RE	Actual Expenditure
2007-08	16.00	19.14	14.11
2008-09	20.00	20.87	16.86
2009-10	16.50	18.13	15.82
2010-11	25.28	26.44	15.23
2011-12	35.00	27.99	17.99

Against an allocation of Rs.112.57 crore for the Eleventh Plan Period, the actual expenditure at the end of March 2012 stands at Rs. 80.01 crore (71.08%).

3.23 The Department in their written submission have furnished that the main reason for non- utilization of funds are delay in acquisition of land for new Central Integrated Pest Management Centres/Locust Control offices and in furnishing of estimates by CPWD for construction of these centres under capital head 4401 and non-materialization of purchase of machinery and equipments under the Major Head 4070 (Implementation of Insecticide Act). It was further clarified that low utilization of funds in the purchase of machinery and equipments on capital side affected upgradation and strengthening of infrastructure under the scheme. They also submitted that new initiatives/activities are being proposed in the Twelfth Five Year Plan.

(iv) **Agricultural Extension**

Support to State Extension Programmes for Extension Reforms

3.24 This Scheme launched during 2005-06, aims at making extension system farmer driven and farmer accountable by way of new institutional arrangements for technology dissemination in the form of an Agricultural Technology Management Agency (ATMA) at district level to operationalize the extension reforms. ATMA has active participation of farmers/farmer groups, NGOs, Krishi Vigyan Kendras (KVKs), Panchayati Raj Institutions and other stakeholders operating at district level and below. The release of funds under ATMA scheme is based on State Extension Work Plans (SEWPs) prepared by the State Governments. At present the scheme is under implementation in 604 districts in 28 States and 3 UTs in the Country.

3.25 In order to promote key reforms under the scheme, ATMA Cafeteria 2010 continues to support activities in line with the following policy parameters:

- **Multi-agency extension strategies:** Minimum 10% of allocation on recurring activities at district level is to be used through non-governmental sector viz. NGOs, Farmers Organization (FOs), Panchayati Raj Institutions (PRIs), para-extension workers, agri-preneurs, input suppliers, corporate sector, etc.
- **Farming system approach:** The activities specified in the cafeteria are broad enough to promote extension delivery consistent with farming systems approach and extension needs emerging through Strategic Research and Extension Plan (SREP).
- **Farmer centric extension services:** The cafeteria provides for group-based extension and it has necessary allocation for activities related to organizing and supporting farmer groups. In order to supplement these efforts, a provision for rewards and incentives to the best organized farmer groups has also been provided.
- **Convergence:** The SREP and SEWP would also be mechanisms for ensuring convergence of all activities for extension. At present, resources for extension

activities are being provided under different Schemes of Centre/State Governments. It is mandated that the SEWP to be submitted by the State Governments for funding under the scheme shall explicitly specify the activities to be supported from the resources of other ongoing Schemes as well as from this scheme.

- **Mainstreaming gender concerns:** It is mandated that minimum 30% of resources on programmes and activities are utilized for women farmers. Similarly, 30% of resources meant for extension workers are to be utilized for women extension functionaries.
- **Sustainability of extension services:** Minimum 10% contribution should be realized from beneficiaries with respect to beneficiary oriented activities.

3.26 The important features of the Revised ATMA Cafeteria 2010 include:-

- Support for specialists and functionaries at State, District and Block Level
- Innovative support through a 'Farmer Friend' at Village Level @ 1 Farmer Friend per two villages
- Farmers Advisory Committees at State, District and Block levels
- Farm Schools in the field of outstanding farmers being promoted at Block/ Gram Panchayat level by integrating the Progressive farmers into Agricultural Extension System (AES) (3-5 Farm Schools/ block).
- Farmer-to-farmer extension support at the village level to be promoted through Farmers' Group.
- Funding window provided at both State and District levels for implementing innovative extension activities not specifically covered under the Programme.
- Farmers' Awards instituted at Block, District and State levels.
- Community Radio Stations (CRS) set up by KVKs/SAUs are being promoted under the Programme.
- For Non-Governmental implementing agencies, States have been given the flexibility of having Extension Work Plans prepared and approved at the State level. Minimum 10 per cent of outlay of the Programme is to be utilized

through them. Non-governmental implementing agencies (excluding the corporate sector) are also eligible for service charge up to a maximum of 10 percent of the cost of the extension activities implemented through them. Apart from other NGOs, financial assistance is also available for implementation of extension activities through agri-preneurs.

- Public extension functionaries being made more effective through trainings and exposure visits. National Institute of Agricultural Extension Management (MANAGE), Hyderabad is offering PG Diploma in Agriculture Extension Management for public extension functionaries which is fully funded under the ATMA Programme.

3.27 The allocation and expenditure during the last five years for this scheme is as follow:

(Rs. in Crore)			
Year	BE	RE	Actual Expenditure
2007-08	230.00	153.52	155.80
2008-09	298.00	198.00	193.05
2009-10	298.00	188.98	178.59
2010-11	250.00	220.00	240.28
2011-12	500.00	458.50	327.17

The above table reveals that the BE for the Scheme has consistently reduced at RE stage during the Eleventh Plan period. On being queried the reasons for the same, the Ministry in their written submission stated that during the year 2007-08, the Centrally Sponsored Scheme “Support to State Extension Programmes for Extension Reforms” was sought to be modified. An EFC Memorandum was prepared and budgetary provisions were made accordingly for the year 2008-09. The approval of revamped Scheme was delayed, as the EFC in its first meeting on 30.01.2009 directed the Department to recast the Memorandum for administrative and financial reasons. The Scheme was finally considered by EFC on 04.08.2009 and its approval was conveyed

on 29.10.2009. The CCEA approved the Scheme on 19.03.2010. Thus, the budget outlays planned in anticipation of the approval of the Scheme during the period 2007 to 2010 had to be reduced at RE stage. Moreover, the States were unable to utilize the funds available to them in the absence of dedicated manpower for extension activities during this period.

3.28 When asked to furnish the reasons for doubling of BE for the fiscal 201-12 to Rs.500 crore, the Committee were informed that the Scheme has been modified in 2010 inter-alia with provision of manpower down to the block level and infrastructure support at SAMETI level. Against over 18,000 sanctioned posts, 25 States/UTs have reported filling up of 10,383 posts up to March 29, 2012 (information collected on different dates from various States/UTs till 29.03.2012). The remaining posts are being filled on priority basis. With sanctioned manpower being gradually deployed and the States chalking out comprehensive State Extension Work Plans (SEWPs), speed and extent of implementation of field activities also is picking up. Funds totaling Rs.434.02 crores were accordingly released during 2011-12 for implementation of this scheme.

3.29 In response to a pointed query on steps taken to motivate States to increase their participation in the Scheme and avail more central funds, it was submitted that in view of good progress of deployment of sanctioned manpower by majority of the States, 'in – principle' approval of Planning Commission and recent Budget announcement about National Agriculture Extension Technology Mission, the Department hopes to improve the implementation of the Scheme. The progress of the scheme is reviewed at different levels through Field Visits, Review Workshops at DAC level, National Conferences and Zonal Input Conferences. With the deployment of increased manpower at different

levels (States, District and Block) and identification of Farmer Friends at Village level, participation of States has been improved significantly and an amount of Rs.434.02 crore (Center Share) has been released during the year 2011-12 against revised estimate of Rs.458.60 Crore.

3.30 Regarding the implementation status of the Scheme, the Department have submitted the following data:

- Total 604 ATMAs have been constituted in 28 States and 3 UTs.
- Institutional arrangements viz. Inter Departmental Working Group (IDWG)/ in 28 States and 3 UTs, ATMA Core Committees – Governing Board (GB) and ATMA Managing Committee in 604 districts and Block Technology Team (BTT) in 4463 Blocks and Farmer Advisory Committees (FACs) in 3317 Blocks have been constituted at District level (215) and State level (8).
- SEWP of 28 States/ UTs in respect of 582 ATMA districts were approved during 2011–12.
- As against the B.E. of Rs. 500.00 crore, an amount of Rs. 292.36 crore has been released to the States for implementation of the Scheme (January, 2012).
- The progress of implementation during current financial year (up to January, 2012) is as follows:
 - Over 12,16,785 farmers including 3,12,325 farm women (23.57%) have participated in farmer oriented activities like exposure visits, trainings, demonstrations & kisan melas.
 - 13,987 CIGs/ FIGs have been set up.
 - 8,444 Farm Schools have been set up.

3.31 In regard to Monitoring and Evaluation of extension initiatives of the said Scheme, the Committee have been informed that draft model Terms of References (TORs) for commissioning third party monitoring & evaluation of the Scheme Support to Extension Programme for Extension Reforms prepared by DAC in consultation with the States have been circulated to all the States. The States of Andhra Pradesh, Gujarat,

Haryana, Himachal Pradesh, Kerala, Madhya Pradesh, Orissa, Punjab, Rajasthan, Uttarakhand, West Bengal, Arunachal Pradesh, Mizoram and Nagaland have submitted their study reports. The other States are in the process of commissioning the study. The process of centralized evaluation of the scheme has also been initiated with the task of Evaluation & Impact Assessment of the scheme outsourced to an independent agency which would, undertake the task in the States of U.P. and Haryana.

Impact assessment of Establishment of Agri-Clinic & Agri-Business Centres scheme has been done during 2007-08.

As far as Mass Media Support to Agriculture Extension scheme is concerned, the study for evaluation work has been assigned to an independent agency namely: M/S Spectrum India Planning, Faridabad during 2011-12.

The evaluation of the Kisan Call Centres scheme by Administrative Staff College of India (ASCI), Hyderabad, has been completed.

Functioning of MANAGE has been evaluated by three separate committees and their recommendations have been acted upon under the guidance of Executive Council of MANAGE. Evaluation of Model Training Courses has been awarded to GOI, autonomous body MANAGE, Hyderabad.

(v) Horticulture

National Horticulture Mission (NHM)

3.32 The horticulture sector includes a wide range of crops such as fruits; vegetables; root & tuber crops; flowers, aromatic & medicinal plants; spices; and plantation crops such as coconut, areca nut, cashew and cocoa which can be grown under different agro climatic conditions of the Country, thereby providing ample avenues for diversification in

agriculture. It has been realized that growing horticulture crops could improve livelihood security, enhance employment generation, attain good food and nutritional security and increase income through value addition. During 2010-11, horticultural crops occupied an area of 21.8 million hectares producing 240.4 million tonnes of horticultural produce which is growing by approx 8% every year. This has resulted in higher per capita availability of fruits and vegetables.

After implementing various horticulture development programmes including National Horticulture Mission (NHM) in the Country, the availability of fruits has increased from 138gms/pers/day in 2004-05 to 172gms/pers/day in 2010-11. Similarly, the availability of vegetables has increased from 279 gms/pers/day to 337 gms/pers/day during the same period.

Fruits and vegetables, together, constitute about 92 per cent of the total horticultural production in the Country. The area under fruit crops during 2010-11 is 6.4 million hectare with a total production of 74.9 million tonnes which constitutes 31 per cent share in total horticulture production. It has registered a growth of 28% in area and 47.1% in production during 2004-05 to 2010-11.

3.33 The National Horticulture Mission (NHM) was launched during 2005-06 to enhance horticulture production in the Country duly ensuring backward and forward linkages. The scheme is being implemented in 18 States and 3 Union Territories through the State Horticulture Missions (SHMs). Besides, 13 National Level Agencies are involved in implementation of the Mission. During the period 2007-08 to 2010-2011, an amount of

Rs.3698.69 crore was released to the SHMs and NLAs. During current financial year, an amount of Rs.965.32 crore has been released as on 23rd February, 2012.

The Mission envisages to adopt an area expansion approach starting from supply of good quality planting material, Post Harvest Management to marketing through active participation of all Stake holders.

The expected outcome of the proposed National Horticulture Mission would be as follows: -

- Improvement in availability of Horticulture produce by enhancing production and productivity.
- Reduction in malnourished population of the Country by 50%
- Increased exports
- Increased purchasing power of farmer
- Poverty alleviation
- Increased availability of raw material for processing.
- Better infrastructure for Post Harvest Management & Marketing
- Employment generation
- Private investment
- Increased growth
- Vibrant Economy
- Increased contribution to GDP in Agriculture
- Improve ecological balance

3.34 The financial allocation and utilization of funds during the last five fiscals is listed below:

(Rs. in crore)			
Year	BE	RE	Actual Expenditure
2007-08	1150.00	900.00	919.17
2008-09	1100.00	1000.00	1010.49
2009-10	1100.00	800.00	800.00
2010-11	1061.98	986.00	970.86
2011-12	1200.00	1150.00	965.32

The table shows that the BE funds have been curtailed at RE stage during the last five fiscals. On being queried the reasons for the same, the Department submitted the following reasons for curtailment at RE state:-

- (i) Unspent balances of previous years lying with the State Implementing Agencies.
- (ii) Delay in release of 15% matching state share by various State Government.
- (iii) Delay in submitting Audited Accounts by the Implementing Agencies.
- (iv) Delay in obtaining bank financing for Post Harvest and Market Projects which carry credit-linked-back-ended subsidy.

3.35 The Department have further submitted that in order to ensure even paced utilization of funds across a financial year, during the fiscal 2012-13, the Department in consultation with Planning Commission and Ministry of Finance, revised the pattern of assistance and the requirement of credit linkage was removed from some of the Post Harvest Management Components.

3.36 In response to a query regarding receding private investment in horticulture sector post fiscal 2009-10, the Department stated that Private investment in horticulture is not limited to participation in National Horticulture Mission (NHM) and other Schemes of this Department such as Horticulture Mission for North East and Himalayan States (HMNEH), National Horticulture Board (NHB), Coconut Development Board (CDB), National Mission on Micro Irrigation (NMMI). Schemes of Ministry of Food Processing Industries (MoFPI) and Agriculture and Processed Food Export Promotion Agency (APEDA) also incentivize investment in horticulture sector in addition to private investments outside the Government fold. Private sector investment under NHM had peaked in 2009-10 on account of clearance of all the backlog cases of previous years when the NHM programme had just taken off and technical standards and protocols were being finalized. In subsequent years, investment has been showing steady

increase viz. from the level of Rs. 158 crores in 2010-11 to 174 crores in 2011-12 (upto 29th February, 2012).

(vi) Seeds

Development and Strengthening of Seed Infrastructure Facilities for Production and Distribution of Quality seeds.

3.37 The restructured Central Sector Scheme “Development and Strengthening of Infrastructure Facilities for Production and Distribution of Quality Seeds” is under implementation from the year 2005-06 on an all India basis.

The objective of the scheme is to develop and strengthen the existing infrastructure for production and distribution of certified/quality seeds and also to ensure production and multiplication of high yielding certified/quality seeds of all crops in sufficient quantities and make available to farmers including those in remote areas.

3.38 The scheme has been evaluated by the Indian Institute of Management, Calcutta at the end of Tenth Plan. IIM, Calcutta has generally appreciated the implementation of the scheme. The details of the components of the scheme are detailed in **Annexure-X**.

3.39 Allocation and Expenditure for the Scheme during the course of the Eleventh Plan is as follows:

(Rs. in crore)			
Year	BE	RE	Actual Expenditure
2007-08	97.57	409.04	407.09
2008-09	153.00	549.12	548.97
2009-10	425.00	359.06	366.02
2010-11	399.45	380.72	226.98
2011-12	350.00	277.40	246.88

The table shows that during the first two fiscals BE was enhanced at RE stage. However, in the next three fiscals, BE was pruned at RE stage. When asked to explain these variations, the Department in their submission stated that allocation for the Scheme 'Development and Strengthening of Seed Infrastructure Facilities for Production and Distribution of Quality Seeds' was raised considerably at the Revised Estimates stage during the year 2007-2008 and 2008-2009 primarily for meeting the requirement of funds for the seed related components of the Prime Minister's Relief Package implemented in 31 suicide affected districts of 4 States (viz. Maharashtra, Andhra Pradesh, Karnataka and Kerala). Hence, allocation under the Scheme was enhanced to Rs.409.04 crore during the year 2007-2008 and to Rs. 549.12 crore during the year 2008-09 at the stage of Revised Estimates. Based on the enhanced allocation, an amount of Rs. 310.55 crore could be released during the year 2007-2008 and Rs. 445.81 crore could be released during the year 2008-2009 for the Prime Minister's Relief Package on the requirement of funds projected by the respective States/implementation agencies over and above the releases made under the components of the above Scheme.

The Committee were further informed that actual expenditure has generally been less in comparison to the Revised Estimates since funds are released only on the basis of proposals received from the States/implementing agencies and the submission of utilisation certificates and physical progress report in regard to the previous releases.

3.40 Requirement and Availability of quality seed during the last five fiscals is listed below:

(in lakh quintal)			
Year	Requirement	Availability	Status
2007-08	180.74	194.31	+13.57
2008-09	207.28	250.35	+43.07
2009-10	249.12	279.72	+30.60
2010-11	290.76	321.36	+30.60
2011-12	330.41	353.62	+23.21

3.41 The non-achievement of targets for strengthening of Notified Seed Testing Laboratories was due to non-receipt of sufficient proposals from the State Governments. Under the above Scheme, an amount of Rs.15.00 lakh was kept for strengthening of one Seed Testing Laboratory (STL). However, States found this amount to be insufficient and hence did not show much interest in submitting proposals for strengthening STLs. Nevertheless, in the year 2011-12, thirteen STLs could be strengthened under this scheme. In addition, during 2011-12 under Rashtriya Krishi Vikas Yojana (RKVY) 14 Seed Testing Laboratories were established/strengthened with financial assistance of Rs. 454.02 lakhs. It is now proposed under the Mission to enhance assistance for strengthening of Seed Testing Laboratory to Rs. 42.90 lakhs which would motivate States to submit more proposal(s) in this regard. When queried about the non-achievement of targets for strengthening of Seed Testing Laboratories, the Committee were informed that this was due to the non-achievement of targets for strengthening of Seed Testing Laboratories was due to non-receipt of sufficient proposals from the State Governments.

3.42 Whilst tendering oral evidence before the Committee, Secretary Department of Agriculture and Cooperation submitted the following on the aspect of STLs:

“Sir, the number is 13. Even that is less. I am not trying to defend that. Normally, it is due to lack of interest from the States because we give them money to take up. But now the situation is slightly different. The States are also very much alive to this issue of spurious and sub-standard seed. As you know, because you have cleared the Seed Bill which we proposed, that Bill has stringent provisions for anybody who gives spurious seeds. So, that is one thing that we would like the Parliament to pass. Then, the teeth in the Act will be much more because there are admittedly chronic places where this is going on but we are dependent on the States to take action. The State Inspectors basically are the State officers. But with these provisions of compensation, penal action as well as cancellation of their certificates, I think the Government of India and the State officials will have more control over this menace of spurious or sub-standard seeds.

I assure you that once the Mission is cleared, we will make sure that highest priority is given to Seed Testing Laboratories. In parallel I will give you another example where the States’ response has been much better than earlier, which is in the Pesticide Testing Laboratories. Many States have taken up Pesticide Testing Laboratories under the RKVY Scheme. There has been lot of interest shown by the States. I think what we have to do is, basically draw the attention of the States to the urgent need of putting in more Seed Testing Laboratories. So, this year we will try and do that.”

3.43 In response to a specific query regarding each district having its own Seed Laboratory, the Secretary submitted as under:

“Ideally, the Seed Testing Laboratories should be available at more than once places in a district because some of the districts are so huge that it is impossible for the farmers to go to the district headquarters and get the seed tested. My take will be that we should have it on need based basis. We know the cropping pattern and how much seed is been consumed. We could have that yardstick for setting up Seed Testing Laboratory instead of geographically putting this. If in Punjab the consumption of seed is much more, then, maybe, we need two Seed Testing Laboratories in that district in Punjab and in a remote area in Jharkhand where there is less consumption, we may set up one. The States will have to basically decide how many they need, in what concentration they need and in which area they need. But certainly we will have to push this aspect because the progress has not been good. I admit that.”

National Food Security Mission

3.44 The National Food Security Mission (NFSM) is under implementation w.e.f. Rabi 2007-08 in pursuance of a resolution accepted by the National Development Council (NDC) to enhance the production of Rice by 10 million tonnes, of Wheat by 8 millions tonnes and Pulses by 2 million tonnes by the end of the Eleventh Plan. The mission has three components namely- NFSM-Rice, NFSM-Wheat and NFSM-Pulses and is being implemented in 482 identified districts of 19 States of the Country. The Committee observe that during the last five fiscals BE amount was curtailed at RE stage and the actual utilization was lower in comparison to the RE amounts. The Department have attributed the underutilization of funds to the fact that 10% of the allocated funds are allocated to the North Eastern Region (NER) with coverage restricted to just two States i.e. Assam and Tripura and their inability to absorb the allocated funds in view of the unique geographical location of the North Eastern Region. The Committee desire the Department to rework the guidelines of the said Scheme for the NER so as to enhance its coverage in the region. By doing so, the 10% allocation for NER could be optimally utilized, thereby ensuring that entire allocation is utilized at least in the next Five Year Plan.

3.45 The Committee laud the Department on the success of the Scheme in the fiscal 2011-12 whereby the production of food grains reached a record level of 250.4 million tonnes which is 6.4 million tonnes higher than the Planning Commission's projected demand of 244.0 million tonnes. The silver lining being the record increase of about 20% in rice production in the Eastern Region in

comparison to the production of 2010-11. Keeping in view the potential of this Scheme in changing production / productivity and performance in agriculture sector, the Committee desire the Government to increase the coverage of this Scheme from the present 482 identified districts in 19 States to cover the entire Country. They are pretty sanguine that by enhancing its coverage the Country would be closer to attaining, if not complete food security, at least in the Twelfth Plan Period.

Marketing Research and Information Network (MRIN)

3.46 The under-utilization of funds witnessed under the scheme of Marketing Research and Information Network (KRIN) during the last five fiscals causes the Committee great anguish. The main reason attributed for this by the Department is the lack of proposals from the States / UTs. They are unable to fathom the fact that in this era of widespread use of Information Technology, States are not willing to avail central funds for establishing a nationwide information network by providing electronic connectivity to important Agricultural produce markets spread over the length and breadth of the Country and the State Agricultural Marketing Boards and Directorates. Even after passage of almost twelve years, if the Scheme is under-performing, then the Department needs to do a quick and serious rethink on the fate of this Scheme. They fully support the stand of the Department, which is currently under consideration in consultation with the Planning Commission for merging this Scheme under RKVY. As States have some amount of freedom under RKVY, the Committee whole-heartedly endorse the stand of the Department, as in their opinion this would ensure that States

finally endorse this Scheme and await the funds herein for strengthening their information technology paraphernalia. They desire the Department to pursue the fructification of merger of the Scheme with RKVY and await a positive outcome thereon.

Grameen Bhandaran Yojana

3.47 The Committee note the Grameen Bhandaran Yojana caters to creation of scientific storage capacity with allied facilities in rural areas to meet various requirements of farmers for storing farm produce, processed farm produces, agricultural inputs and prevention of distress sale by creating the facility of pledge loan and marketing credit. During the Eleventh Plan out of the RE figure of Rs.468.00 crore the actual expenditure was Rs.447.69 crore which is about 95.66% of the RE amount. What causes concern to the Committee is the physical achievement part of the Scheme, as the data furnished by the Department only mentions the number of completed godowns and total capacity. Further the Secretary during his deposition was unable to furnish data regarding capacity utilization of these godowns. The Committee, therefore, desire the Department to get this data collected and furnish the same to them at the earliest so that a proper and accurate assessment of this Scheme can be done at the earliest. This factor attains importance due to the increased production in foodgrains witnessed in the last two fiscals, thus creating storage problems for both the Central and State Governments.

Strengthening and Modernization of Pest Management in India

3.48 The major thrust area of plant protection is promotion of Integrated Pest Management (IPM), ensuring availability of safe and quality pesticides for sustaining crop production from the ravages of pests and diseases, streamlining quarantine measures for preventing entry of exotic pests and human resource development in plant protection skills. The Committee, however, are concerned to note that during the last five fiscals out of the RE amount of Rs.112.57 crore the actual expenditure stands at only Rs.80.01 crore which is 71.08% of the RE. The reasons attributed for this are delay in acquisition of land for new Central Integrated Pest Management Centres / Locust Control Offices etc. These procedural delays have made our agriculturists vulnerable to the threat of pest attacks which could be calamitous for our agricultural production that really causes the Committee deep anguish. They, therefore, urge the Department to accord top priority to this Scheme and ensure all procedural aspects are taken care off in real quick time and ensure smooth implementation of the Scheme in the Twelfth Plan period, which could then reflect positively on the optimum utilization of sanctioned funds as also reflect in reducing the crop losses as a result thereof. They would await the details of the promised new initiatives/activities being proposed in the Twelfth Plan.

Support to State Extension Programmes for Extension Reforms

3.49 The Committee note that despite the BE for the fiscal 2011-12 getting doubled to Rs.500.00 crore from BE of Rs. 250.00 crore for the preceding fiscal, the same old story of BE being pruned at RE stage and actual expenditure being still lower in comparison to the actual allocation. This is in spite of the fact that

the Scheme was fully operational on 19 March, 2010. These repetitive irritants retarding the progress of this vital Scheme which aims at making extension system farmer driven and farmer accountable by way of new institutional arrangements for technology dissemination in the form of ATMA truly enrages the Committee, as lower utilization of funds year after year directly lowers dissemination of technology to farmers.

They further note that had the new five year plan started from 1 April, 2012, the Department could have broken free of the jinxed past and taken up the cudgels on behalf of the toiling farming community, removal all obstacles hindering the smooth implementation of this scheme and ensure optimum utilization of funds thereby directly impacting the farming community in a positive manner. They, therefore, desire the Department to take a proactive approach in the matter and do justice to the farming community at large.

3.50 Having recognised the pressing need to motivate the States / UTs to increase their participation in the Scheme and avail more central funds, the Committee recommend the Department to also take into consideration the views of the implementing agencies i.e. the States / UTs and try to incorporate their views on this scheme to the possible extent. This in their opinion would ensure that States / UTs become dynamic participants and then attain the status of being reliable partners in implementing this Scheme. They further desire that the reach of this pivotal Scheme be widened from the present 604 ATMAs in 28 States and 3 UTs, so as to ensure that all States / UTs are covered by this Scheme before the culmination of the Twelfth Plan.

3.51 They also note that only half of the States / UTs i.e. 14 out of the 28 States / UTs having furnished their study reports on the Scheme to the Department, the Committee reiterate their earlier recommendation made in their Twenty-second Report that the remaining 14 recalcitrant States / UTs be politely but firmly requested to get the needful done at the earliest and forward the same to the Department as monitoring and evaluation of a Scheme helps to iron out its inherent weaknesses and increase its viability. Last, but not least, the Committee would also like to be apprised about the action initiated by the Department on the recommendations contained in the report on Impact Assessment of Establishment of Agri-Clinic and Agri-Business Centres Scheme done during 2007-08; Evaluation of Mass Media Support to Agriculture Extension done by M/s Spectrum India, Planning, Faridabad during 2011-12; and Evaluation of Kissan Call Centres by Administrative Staff college of India, Hyderabad. They also desire to be apprised of the recommendations of the three separate Committees which evaluated the function of MANAGE, Hyderabad alongwith the action taken thereon.

National Horticulture Mission (NHM)

3.52 The Committee are happy to be apprised that post implementation of various horticulture development programmes including NHM, the availability of fruits has increased from 138gms/pers/day in 2004-05 to 172gms/pers/day in 2010-11 and that of vegetables from 279gms/pers/day to 337gms/pers/day in the same period. They applaud the National Horticulture Mission for a task well done and are of the firm belief that they would continue to strive for further increasing the availability levels of fruits & vegetables in the years to come. They are,

however, constrained to note that allocated funds have been under-utilized during the Eleventh Plan period due to varied reasons. Not inclined to dwell upon these reasons as they would not help in finding a solution herein, they urge the Department to play a more pro-active role and motivate States / UTs to be active partners. One positive aspect being the removal of credit linkage from some of the Post Harvest Management Components. Keeping in view the vast, yet untapped potential of Horticulture especially in the NER and other Mountainous regions of the Country, they desire the Department to lay more emphasis on this Scheme in the Twelfth Plan to ensure that horticulture produce increases and be in a position to tap export markets after having satisfied domestic consumption.

3.53 Keeping in view the huge potential of the horticulture sector and the shortage of public investment in agriculture, the Committee desire the Government to take all possible steps to ensure greater participation of private sector in horticulture sector both in terms of production and post-production areas, especially the export markets for fruits and flowers. Guidelines should be made flexible with adequate checks and balances to ensure that the farmer is not taken for a ride and his interest is always taken care of as he is the toiler who ensures food for all.

Development and Strengthening of Seed Infrastructure Facilities for Production and Distribution of Quality seeds.

3.54 The Committee observe that though the availability of quality seeds has exceeded the requirement for the same during the last five fiscals, yet the lack of proposals received from States / UTs and implementing agencies, non-

submission of utilization certificates and physical progress report in regard to previous releases have led to actual expenditure being lower in comparison to the allocated amount. This factor which is inherent of the malaise rocking the extant system of implementation of Schemes in a federal structure, truly causes the Committee deep anguish. What makes the Committee ponder over this mismatch wherein in spite of low expenditure the availability of seeds exceeded the requirement.

The Committee exhort upon the Department to motivate the States to exercise financial discipline by timely submission of utilization certificates of past allocations and forward fresh proposals in time. They also desire the Department to introspect to have a relook at the extant guidelines due to which the States are not forthcoming to availing central funds as of now and devise strategies to remedy the situation at the earliest.

3.55 As admitted by the Department that the present infrastructure of seed testing i.e. Seed Testing Laboratories is inadequate, the Committee desire the Department to work on strengthening this infrastructure at the earliest. One positive step in the right direction would be getting the Scheme of National Mission on seeds cleared in quick time. They further desire the Department to establish Seed Testing Laboratories at more than one location in a district depending on the geographical size of the district. By doing so the farmers will be able to get first hand knowledge about the quality of a particular seed before investing in it and thereby ensure that they get the best and certified seed for their investment which would finally ensure a quality produce and help improve

his economic well being. They desire to be apprised of the steps taken in this direction.

NEW DELHI;
26 April, 2012
6 Vaisakha, 1934 (Saka)

BASUDEB ACHARIA
Chairman,
Committee on Agriculture

ANNEXURE-I
(See para 2.14)

Statement showing the scheme-wise proposed outlay & approved outlay for 2012-13

(Rs. in Crore)

S.N.	Name of the Division/Scheme	2012-13	
		Proposed Outlay	Approved Outlay
1	2	5	6
I	Agri Extension and Training	1377.66	829.00
1	Extension Support to Central Institutes of DOE	27.00	18.00
2	Agri-Clinics/Agri-Business Centres	28.04	20.00
3	Mass Media use in Agr. Ext.	260.00	190.00
4	Support to States Extension Programmes for Extension Reforms	1062.61	600.00
5	National Mission on Agriculture Extension	0.01	1.00
II	Agriculture Census	29.84	26.00
1	Agriculture Census	29.84	17.00
2	Situation Assesment Survey of Farmers		9.00
III	Agricultural Economics and Statistics	207.65	182.00
1	Studies in Agricultural Economic Policy and Development	74.62	70.00
2	Improvement of Agriculture Statistics	126.50	100.00
3	Forecasting Agricultural output using Space, Agro-Meteorology and Land based observation (FASAL)	6.53	12.00
IV	Seeds	835.01	349.15
1	Implementation of PVP Legislation	35.00	17.00
2	Loan to State Farms Corporation/NSC		0.00
3	Development and Strengthening of infrastructure facilities for production and distribution of quality seeds	350.00	330.00
4	Externally aided project on implementation of global plan of action	0.00	0.15
5	Nartional Seed Mission	450.00	1.00

6	National Mission on Seeds & Planting Material	0.01	1.00
V	Integrated Nutrient Management	31.72	51.00
1	Strengthening of Central Fertiliser Quality Control & Training Institute		0.00
2	National Project on Promotion of Organic Farming	25.00	21.00
3	National Project on Management of soil Health and fertility	6.72	30.00
VI	Plant Protection	98.00	80.00
1	Strengthening & Modernisation of Plant Quarantine facilities in India	29.63	25.00
2	Strengthening and Modernisation of Pest Management in the country	37.60	35.00
3	Monitoring of Pesticide Residues at National Level	5.77	5.00
4	National Institute of Plant Health Management	25.00	15.00
VII	Mechanisation & Technology	1200.00	38.50
1	Strengthening of Farm Machinery Training and Testing Institutes	0.00	25.50
2	Post Harvest Tech. & Management	0.00	12.00
3	National Mission on Agricultural Mechanisation	1200.00	1.00
VIII	Crops	1581.75	1875.00
1	Technology Mission on Jute	11.50	10.00
2	Technology Mission on Cotton (CSS)	17.25	15.00
3	Enhancing Sustainability of Dryland/Rainfed Farming System		0.00
4	National Food Security Mission	1553.00	1850.00
IX	TMOP	639.26	585.50
1	Tree borne oilseeds and bio diesel	9.25	9.50
2	Integrated Oilseeds, Oil Palm, Pulses and Maize Development (ISOPOM) (CSS)	630.00	575.00
3	National Mission on Oilseeds & Oil Palm	0.01	1.00
X	Rainfed Farming System	0.00	0.00
1	Watershed Development Council		0.00
2	National Rainfed Area Authority		0.00
3	Rainfed Area Dev. Prog.	0.00	0.00
XI	Horticulture	4984.25	3712.00
1	National Horticulture Board	200.00	175.00
2	Coconut Development Board including Technology Mission on	62.00	55.00

	Coconut		
3	Horticulture Mission for North East & Himalayan States	525.00	500.00
4	National Mission on Micro Irrigation	2000.00	1500.00
5	National Mission on Bamboo Technology and Trade (CSS)	127.00	90.00
6	National Horticulture Mission (CSS)	2000.00	1350.00
7	Central Institute of Horticulture in Nagaland	27.00	9.00
8	Grants for replanting and rejuvenation of Coconut Gardens	42.00	32.00
9	Grants to Coconut dev. Board for Coconut Palm Insurance Scheme	1.25	1.00
XII	Secretariat Eco. Service	11.50	11.50
1	Secretariat Economic Service	11.50	11.50
XIII	Agricultural Marketing	735.09	964.00
1	Grant in aid to National Institute of Agricultural Marketing (NIAM)	5.00	5.00
2	Strengthening Agmark Grading & Export Quality Control	1.25	1.00
3	Marketing Research Surveys and Marketing Information Network	2.64	2.00
4	Development of Market Infrastructure, Grading and Standardisation	401.20	190.00
5	Construction of Rural Godowns	225.00	716.00
6	Small Farmers Agri-Business Consortium (SFAC)	100.00	50.00
XIV	Information Technology	179.90	97.00
1	National e-Governance Plan Agriculture	127.98	72.00
2	Strengthening of IT apparatus in Agriculture & Cooperation(HQ) including Early Warning System	51.92	25.00
XV	NRM	9600.00	17.35
1	Soil and Land Use Survey of India	0.00	16.35
2	Control of Shifting Cultivation	0.00	0.00
3	National Mission for Sustainable Agriculture (NMSA)	9600.00	1.00
XVI	Credit	2880.01	1166.00
1	Investment in Debentures of State Land Development Banks (SLDBs)	30.00	30.00
2	National Agricultural Insurance Scheme (NAIS)	2850.00	400.00

3	Pilot modified National Agriculture Insurance	0.00	80.00
4	Whether-based Crop Insurance	0.00	655.00
5	Integrated Scheme for Farmers Income Security	0.01	1.00
XVII	Cooperation	282.69	105.00
1	Cooperative Education and Training	88.69	30.00
2	Assistance to NCDC for development of cooperatives	194.00	75.00
3	Support to NAFED (New)	0.00	0.00
4	Intrest Subvention on loans provided by NCDC to Cooperatives (New)	0.00	0.00
5	Rehabilitation and reconstruction of cooperatives (New)	0.00	0.00
XVIII	Macro Management	0.00	900.00
1	Macro Management (CSS)	0.00	900.00
XIX	Trade	0.00	0.00
1	Capacity Buliding to enhance competitiveness of Indian Agriculture	0.00	0.00
XX	Central Agricultural Infrastructure & Establishment Scheme	0.01	1.00
XXI	National Crops Statistics Centre		1.00
XXII	Additional Central assistance for State Plan (RKVY)	25000.00	9217.00
	RKVY	25000.00	9217.00
	Total	49674.34	20208.00

ANNEXURE-II
(See para 2.20)

Steps Taken/Being Taken To Promote Private Investment In Agriculture

1. Implementation of Schemes, like Rural Godown Scheme (RGS) to create scientific storage capacity and Scheme for Development/Strengthening of Agricultural Marketing Infrastructure, Grading and Standardization (AMIGS) which covers all agricultural and allied sectors including dairy, poultry, fishery, livestock and minor forest produce, to encourage private investment in these areas.
2. Schemes like National Horticulture Scheme (NHM) and Horticulture Mission for North-Eastern and Himalayan States (HMNEH) also promote private investment by way of area expansion under horticultural crops, setting up of nurseries, setting up of projects for post-harvest management and marketing, creation of cold storage capacity etc.
3. Setting up of terminal markets under PPP mode.
4. Provision of back ended subsidy @ 25% of the project cost subject to a maximum limit of Rs.25.00 lakh per unit to private companies under the component 'Assistance for Boosting Seed Production in Private Sector' in the Scheme of 'Development and Strengthening of Infrastructure Facilities for Production and Distribution of Quality Seeds'.
5. Best planting material available in the world is allowed for import by private/public companies subject to quarantine regulations.
6. FDI is allowed upto 100% under the automatic route in the development and production of seeds and planting material subject to certain conditions.
7. Seed Companies are exempted from payment of VAT on Seeds.
8. Under Section 35 of IT Act, 200% of the expenditure on R&D is allowed as weighted deduction to the seed industries having R&D centres recognised by the Department of Scientific and Industrial Research, Ministry of Science & Technology.
9. In order to ensure promotion of multi-agency extension strategies and to implement scheme activities in Public-Private-Partnership (PPP) mode, the Scheme "Support to State Extension Reforms", popularly known as ATMA Scheme, envisages that a minimum 10% of scheme allocation on recurring activities at district level has to be incurred through Non-Governmental Sector viz. NGOs, FOs, PRIs, Cooperatives, Para-Extension Workers, Agri-preneurs, Input Suppliers, Corporate sector etc.

10. Under the abovementioned ATMA scheme, private sectors involved in the Agriculture and Allied areas with a good reputation are being considered for implementing the Extension activities viz. Farmers Training, Demonstrations, Exposure Visits, Kissan Melas, Mobilization of Farmers Groups and Setting up of Farm Schools.
11. Small Farmers Agri-business Consortium (SFAC) is providing Venture Capital Assistance to support innovative ideas for generating income and employment in rural areas by promoting private investment in agri-business projects.
12. Practically all services required for cultivation, breeding, production, processing or marketing up to the stage the produce is sold in the primary markets are exempted from Service Tax.
13. The following incentives that encourage private investment in Agriculture and allied sector have been announced in Union Budget 2012-13:
 - Investment linked deduction of capital expenditure incurred on Cold chain facility and Warehouses for storage of food grains has been enhanced to a rate of 150%, as against the current rate of 100%.
 - Weighted deduction of 150 per cent on expenditure incurred for agri-extension services in order to facilitate growth in the agriculture sector.
 - Extend project import benefit to green house and protected cultivation for horticulture and floriculture at concessional basic customs duty of 5 per cent.
 - Extend concessional import duty available for installation of Mechanised Handling Systems and Pallet Racking Systems in mandis or warehouses for horticultural produce.
 - Reduction in basic customs duty from 7.5 per cent to 2.5 per cent on sugarcane planter, root or tuber crop harvesting machine and rotary tiller and weeder; and parts for the manufacture of these.
 - Reduction in basic customs duty from 7.5 per cent to 5 per cent on specified coffee plantation and processing machinery.

ANNEXURE-III
[See para 2.21(i)]

**Details of the progress made during 11th Plan under the Rural Godown Scheme and
Scheme for Development/Strengthening of Agricultural Marketing Infrastructure,
Grading and Standardization**

Year	RGS			AMIGS	
	No. of Projects	Total Capacity (In lakh MT)	Subsidy released	No. of Projects	Subsidy released
2007-08	2188	35.41	95.27	1161	51.00
2008-09	3026	25.10	59.25	564	62.04
2009-10	950	13.21	65.37	573	49.89
2010-11	2159	22.91	70.86	654	83.13
2011-12 (upto Feb. 12)	2230	25.61	140.31	793	138.04
Total	10553	122.24	431.06	3745	384.10

ANNEXURE-IV
[See para 2.21(ii)]

State wise details of proposals for XI Five Year Plan (2007-2008 to 2011-2012 till 31.01.2012) under the scheme 'Development and Strengthening of Infrastructure Facilities for Production and Distribution of Quality Seeds'

Sl. NO.	State	No. of Proposals	Processing capacity (Qtls.)	Storage capacity (Qtls.)	Subsidy released/ Committed (in Rs.)
1	Andhra Pradesh	42	1060000	308229	52177154
2	Bihar	1	10000	5739	756826
3	Gujarat	17	280000	188782	15872815
4	Haryana	29	557500	166029	22255240
5	Karnataka	11	250000	81936	11619007
6	Madhya Pradesh	7	125000	64919	4893836
7	Maharashtra	13	221500	112939	13437047
8	Orissa	5	100000	37983	4927323
9	Punjab	33	660500	273316	27309205
10	Rajasthan	11	230000	62388	7249808
11	Tamil Nadu	25	325000	155074	11476832
12	Uttar Pradesh	49	835000	108227	43434954
13	Uttarakhand	35	720500	153476	38449763
14	West Bengal	13	310000	200819	17448696
15	Delhi	1	30000	2851	712195
	Total :	292	5715000	1922707	272020701

Models of Public Private Partnerships (PPPs) in Agricultural Extension in various States

(i) **MADHYA PRADESH:** Under the PPP, 07 MOUs have been signed and the activities are being conducted in 40 districts and 187 blocks of the state for conducting FLD (9116) and operationalize Farm Schools (612) in PPP mode. Government of Madhya Pradesh made agreement with ITC, GVT, ASA, PRADAN, DAWAT, ISAP for front line demonstrations and ITC-(160 FS), GVT-(83 FS), ASA-(13 FS), PRADAN-(10 FS), DAWAT-(250 FS) & ISAP-(96 FS). a sum of Rs.3.90 Crore was released to Private Sector for setting up Farm Schools and organization of demonstrations. Similarly, an agreement has been made with Krishak Jagat and KJ Education Society for publishing a Monthly News Letter “ATMA Sandesh” and organizing District Level Kissan Melas. The contribution of the State Government and private sector is on 50:50 basis.

(ii) **RAJASTHAN:** Government of Rajasthan have signed an agreement with ITC Ltd. for setting up of 53 Farm Schools in 13 districts of the State on “*Improved Methodology for wheat production during Rabi Session-2008*” on cost sharing of 50:50 basis.

Also organized training programmes through Jaivik Kheti & Jaivik Khaad Utpadak Sangh Ltd. Bhilwara and Agriculture Research and Development Society, Bhilwara.

(iii) **UTTAR PRADESH:** Government of Uttar Pradesh have signed Agreement with private sectors: -

Pioneer Hybrid Seeds Pvt. Ltd. for Farm School/FLD/ Trainings & Training Goshities & Exposure Visit (Rs.89.56 lakh).

National Fertilizer Limited for Soil Testing in Barabanki (7373 Soil Samples) (Rs.13.00 lakh)

Excel Crop Care for Demonstration, Training & Composting (Rs.2.00 lakh)

Jagran Prakashan Pvt. Ltd. for publicity through “ATMA SANDESH” as a part of “KHEL KHALIAN” (Monthly Magazine) (Rs.8.25 lakh).

Centre for Agriculture & Rural Development (CARD) for Exposure Visit.

Bayer Bio-Science for awareness campaign, Demonstration, Goshities to popularize hybrid rice cultivation (Rs.55.00 lakh)

Advanta India Pvt. Ltd. for Hybrid Mustard & Maize (105 demonstration).

Nuziveedu seeds Pt. Ltd. for demonstration of Hybrid Paddy, Maize Pearl Mullet and sorghum.

Other companies organizing free demonstrations & technical support to ATMA district in PPP Mode:

Dhanya Pvt. Ltd. 411 demonstration of Hy. Maize & Perl Millet (Rs.5.78 lakh).

Monsanto Pvt. Ltd. Awareness, Demonstrations & Trainings to enhance productivity & production of Hy. Maize in Kharif & Rabi, for 1000 Demonstration & Trainings (Rs.6.29 lakh)

(iv) **PUNJAB:** Government of Punjab have made agreement with Shamsheer Singh, Ghuduwala, Faridkot for laser leveler, The FDK Coop. Milk Union, Faridkot, M/s Chambal Fertilizer & Chemicals Ltd., Sangrur, M/s Excel Crop Care Ltd., Sangrur and Rana Sugar Mills, Rayya Amritsar for implementation of agri & allied sector activities. A sum of Rs.6.70 lakh was released to private sector.

(v) **ANDHRA PRADESH:** 4 MoUs signed with Excel Crop Care Ltd. (Rs.200.00 Lakh), Byrraju Foundation Hyderabad (Rs.240.23 lakh), Nandi Foundation Hyderabad (Rs.132.80 lakh) and Agri Biotech Foundation Hyderabad (Rs.243.91 lakh).

(vi) **HIMACHAL PRADESH:** Government of Himachal Pradesh have made agreement with:

- **Adani. Agri. Fresh Ltd.** for post-harvest /Marketing of Agri. and Horti. Produce/CA Store.
- **Techno Industries** for Marketing of Agri. and Horti. Produce.
- **Pvt. Seed/Pesticide Dealers** for Farm Inputs and Extension Services
- **CITA** for Training on WTO and AOA.
- **KRIBHCO** for Demonstration and Training.
- **Agri. gene, Jain Irrigation** for Training on Tissue Culture and Poly House.
- **Mother Dairy** for Marketing of Vegetables.
- **IFFCO** for training, demonstration.
- **Sukhjit Starch** for maize processing and training.
- **Dhanuka** for seed treatment.
- **Reliance** for marketing of fruits/vegetables.

(vii) **BIHAR:** Government of Bihar signed Agreement with **Shakti Sudha Industries** for "Strengthening value chain of Makhana with market linkage for better livelihood has been implemented in the district viz. Madhubani, Dharbanga, Katihar and Sarharsa. The training of Makhana growers has been conducted and the produce of the farmers of the group was bought back for processing by the Shakti Sudha.

(viii) **JHARKHAND:**

- o MOU has been signed by 6 ATMA districts with mobile Agricultural School & Services (MASS) for creation of Mass Awareness among the farmers with an expenses of 6.198 Lakhs.
- o Center for Agriculture & Rural Development (CARD) has organized Inter State Training cum Exposure Visit in collaboration with organized by ATMA Dhanbad, Ranchi, Bokaro Districts.
- o Demo component of Latehar & Garhwa has been organized by Vikas Bharati (NGO).
- o Gramin Vikas Trust has set up Farm School in Ranchi.

ANNEXURE-VI
[See para 2.21(iv)]

Projects set up through Private Sector investments under Horticulture Mission for North East and Himalayan States (HMNEH)

(Numbers)

States	Nursery	Tissue Culture Unit	Cold Storage	Processing Unit
A. North East				
Arunachal Pradesh	47	-	1	3
Assam	49	-	23	9
Manipur	41	-	-	10
Meghalaya	86	1	-	4
Mizoram	13	-	1	2
Nagaland	117	2	1	6
Sikkim	118	3	-	1
Tripura	67	2	2	
B. Himalayan				
Jammu & Kashmir	155	-	3	10
Himachal Pradesh	44	6	4	18
Uttarakhand	42	2	2	26
Total (A+B)	779	16	37	89

ANNEXURE-VII
[See para 2.21(v)]

Private Sector investments under National Horticulture Mission during the 11th Five Year Plan

(Rs. in Crores)

Component	2007-08	2008-09	2009-10	2010-11	2011-12	Total
Nursery	3.76	5.72	4.22	3.79	2.92	20.41
Tissue Culture Labs	0.29	0.14	0.18	1.19	1.06	2.86
Vegetable Seed Production	1.73	3.14	7.98	7.67	5.66	26.18
Seed Infrastructure	0.62	1.02	0.15	1.39	1.18	4.36
Bio Control Lab	0.81	1.47	1.81	0.82	1.27	6.18
Plant Health Clinic	---	---	0.17	0.34	0.12	0.63
Leaf/Tissue Analysis Lab	0.10	0.51	0.01	0.08	0.17	0.87
Pack House	5.61	1.82	8.60	10.82	20.91	47.76
Cold Storage	10.24	38.95	186.31	93.76	118.10	447.36
CA?MA Storage	---	2.04	5.92	12.18	1.68	21.82
Pre-cooling Unit	---	---	---	0.12	0.69	0.81
Refrigerated Vans	0.55	1.26	0.22	0.45	1.78	4.26
Mobile Processing Unit	---	5.29	9.00	13.72	6.52	34.53
Low Cost Onion Storage	---	---	---	0.70	2.57	3.27
Ripening Chamber	---	---	---	11.46	8.90	20.36
Total	23.71	61.36	224.57	158.49	173.53	641.66

ANNEXURE-VIII
[See para 2.21(vi)]

Status of Terminal Market Complex projects under NHM as on 12.03.2012

(Rs. in crore)

No.	State	Location	Date of in-principle by DAC	Date of Sanction by DAC	Project cost	Amount Sanctioned	Status
(1)	(2)	(3)	(4)	(5)		(6)	(7)
1.	Bihar	Pothai	21.10.2009	25.08.2010	129.70	33.00	The project was sanctioned to be implemented by M/S Temptation Foods Ltd., Mumbai as recommended by State. The State has reported that MD of the company is in judicial custody. The State has issued a show cause notice before issuing a cancellation order. Thereafter fresh Global Tender will be issued.
2.	Maharashtra	Thane	21.10.2009		119.00		Global tender issued by State on 25.8.2009. Seven bids have been received. RFP issued on 10.3.2010. At RFP stage three bids have been received.

						Technical and financial bids have been opened on 28.8.2010 and have been placed before State level committee for recommending to GOI.
		Nagpur	19.11.2010		70.00	The State Government has appointed APITCO Ltd, Hyderabad as a Financial Institution (FI). Government land has been identified at Mouje Waranga, Tahsil, District Nagpur (Survey No. 140, 76.29 ha). The proposal to transfer the same land to Maharashtra State Agricultural Marketing Board, Pune is under consideration at GoM level. RFQ process has been completed and 3 firms have qualified for RFP stage. The RFP will issued after a decision is taken to transfer the

							Govt land to MSAMB.
3.		Nasik	The proposal for in-principle approval is yet to be received from state				<ul style="list-style-type: none"> • Government land has been identified at Pimpri Sayyad, Dist Nashik. • The proposal has been submitted for the transfer of the land to MSAMB.
4.	Orissa	Sambalpur	21.10.2009		807.89		A team comprising Chief consultant (NHM) and Marketing Officer (DMI) visited Sambalpur, Odisha during 12 – 16 December, 2011 and informed that M/s IL&FS Cluster Development Initiative Ltd. Has drawn implementation schedule further TMC, Sambalpur. The report regarding transfer of land and final

							selection of PE is still awaited from Government of Odisha.
5.	Tamil Nadu	Perundurai (Coimbatore)	21.10.2009	19.11.2010	120.62	28.99	RFP finalized The Letter of Intent was issued to the successful bidder M/s. SPAC Terminal Market Complex Ltd., (SPV) on 25.02.2011. The OMDA was signed by Director, Department of Agriculture Marketing and Agri Business with M/s. SPAC Terminal Market Complex Ltd., in front of Hon'ble Chief Minister, Tamil Nadu, on 27.02.2011. The master plan for the above work was prepared and evaluated by ITCOT Consultancy and sent to Government for approval.
		Chennai	19.11.2010		113.85		Global Tender Notice was called for Chennai TMC in all editions of The Times of

						<p>India & The Hindu on 01.12.10. Bids were opened on 13.01.11 by the Bid Opening Committee.</p> <p>Four bidders have submitted the documents and evaluated by ITCOT Consultancy Services Ltd. The evaluated documents were scrutinized by the Tender Scrutiny committee members constituted as per the Government order G.O (2D) No. 206 Agriculture AMIII(1) Department</p> <p>Dated : 02.12.2011. As per their recommendations, 2 proposals were qualified by the Tender Acceptance Authority Committee meeting held on 09.01.12. As per the committee's suggestions, IInd Tender Acceptance</p>
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						Authority Committee was held on 30.01.12 and the Authority decided to approve the RFQ as follows “subject to ratification from the State Government for non-publication of Tender notice in one Tamil daily (All Tamil Nadu editions) and Indian Trade Journal”. Hence necessary proposal for the ratification was sent to Government on 06.02.2012 for approval.
		Madurai	19.11.2010		104.74	Global tender notice was called on 4.2.2011 in popular national dailies. Pre bid meeting was conducted on 10.3.2011. The bids were opened by the bid opening committee on 14.3.2011. Three bidders have submitted the documents and evaluated by ITCOT

						<p>Consultancy Services Ltd. The evaluated documents were scrutinized by the Tender Scrutiny committee members constituted as per the Government order G.O (2D) No. 206 Agriculture AMIII(1) Department Dated: 02.12.2011. As per their recommendations, 3 proposals were qualified. Further, it was evaluated by the Tender Acceptance Authority Committee meeting held on 09.01.12. As per the committee's suggestions, IInd Tender Acceptance Authority Committee was held on 30.01.12 and the Authority decided to approve the RFQ as follows "subject to ratification from the State</p>
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							Government for non-publication of Tender notice in one Tamil daily (All Tamil Nadu editions) and Indian Trade Journal". Hence necessary proposal for the ratification was sent to Government on 06.02.2012 for approval.
	Total				1465.80	61.99	

ANNEXURE-IX
(See para 3.18)

STATEMENT SHOWING PROGRESS OF RURAL GODOWN SCHEME CAPACITYWISE (MTs)
(Completed Godowns)

S. No.	State	01-04-2007 to 31-03-2008		01-04-2008 to 31-03-2009		01-04-2009 to 31-03-2010		01-04-2010 to 31-03-2011	
		No. by NABARD	capacity by NABARD	No. by NABARD	capacity by NABARD	No. by NABARD	capacity by NABARD	No. by NABARD	capacity by NABARD
1	2								
1.	Andhra Pradesh	65	214567	78	177850	18	77431	91	349394
2.	Arunachal Pradesh	0	0	0	0	0	0	0	0
3.	Assam	15	7629	13	14640	17	40305	12	44804
4.	Bihar	2	2249	5	3096	1	1024	53	6300
5.	Chhatisgarh	23	62111	34	84302	19	27535	25	59458
6.	Goa	0	0	0	0	0	0	0	0
7.	Gujarat	724	79913	989	241228	893	224288	816	194774
8.	Haryana	22	19559	27	105053	28	174472	57	1533197
9.	Himachal Pradesh	0	0	0	0	5	1769	01	116
10.	Jammu& Kashmir	0	0	0	0	0	0	0	0
11.	Jharkhand	0	0	0	0	4	3698	0	0
12.	Karnataka	219	121948	292	164621	214	136537	471	392308
13.	Kerala	4	2020	11	14927	0	0	15	3809
14.	Madhya Pradesh	215	522000	284	690000	224	539000	87	258000
15.	Maharashtra	329	490577	233	275793	232	270859	200	293168
16.	Meghalaya	0	0	0	0	1	731	2	1060
17.	Mizoram	0	0	0	0	0	0	1	302
18.	Nagaland	0	0	0	0	0	0	0	0
19.	Orissa	44	44351	14	22502	24	38456	17	25743
20.	Punjab	15	10227	0	0	2	233	6	11588
21.	Rajasthan	119	88214	178	130251	121	60533	78	84379
22.	Tamil Nadu	22	67600	34	138494	22	75629	16	65906
23.	Uttar Pradesh	15	48016	22	102126	16	41465	20	32052
24.	Uttarakhand	19	45472	13	24607	14	40559	15	24042
25.	West Bengal	292	95747	158	71180	60	44838	95	70484
26.	UTs	0	0	0	0	0	0	0	0
27.	NAFED	0	0	0	0	0	0	0	0
28.	NCCF	0	0	0	0	0	0	0	0
	Total	2144	1922200	2385	2260670	1915	1799362	2078	3450884

Components Of The Scheme Of “Development And Strengthening Of Infrastructure Facilities For Production And Distribution Of Quality Seeds”

(i) Assistance for Boosting Seed Production in the Private Sector:

Under this component, credit linked back-ended capital subsidy is provided at the rate of 25% of the project cost subject to a maximum limit of Rs. 25.00 lakh per unit on seed infrastructure development. Private Companies, Partnership firms, individual entrepreneurs, self-help groups, and seed co-operatives are eligible for subsidy. The component is implemented through Scheduled Nationalised/Commercial Banks. The assistance is for creation of infrastructure facilities relating to seed cleaning, grading, processing, seed treating, packaging and storage units as well as for seed testing facilities. This assistance is primarily for low value and high volume seeds. National Seed Corporation is the nodal agency for implementation and monitoring of this component.

The component aims at providing seed processing infrastructure at the far-flung areas of the Country and around the seed growers. The additional seed processing capacity created is also being used by many Seed Corporations for processing purposes before the certified seed is packed and marketed by them.

ii) Seed Village Programme:

To upgrade the quality of farmer-saved seed, which is about 80-85% of the total seed used for crop production programme, financial assistance is provided under this component for distribution of foundation/certified seed at 50% cost of the seed of crops for production of certified/quality seeds and hybrids only and for training on seed production and technology to the farmers.

The seed produced in these seed villages are preserved / stored till the next sowing season. In order to encourage farmers to develop storage capacity of appropriate quality, assistance is given to farmers for making/procuring of Pusa Bin/Mud bin/Bin made from paper pulp for storing of seed produced by the frames on their farms.

For increasing agricultural productivity, seed replacement rate has to be enhanced. The component aims at providing quality seeds (foundation seeds/certified seeds) directly to selected farmers at 50% cost. The seeds so produced are purchased by other farmers in the same village or in other villages, ensuring a horizontal spread of quality seeds. This component is highly popular and successful and has proved to be an important instrument for providing quality seeds through informal sector. The evaluation study undertaken by the Indian Institute of Management (IIM), Calcutta at the end of Tenth Plan has found that the component had wide visibility and implementing agencies were also quite enthusiastic about the component. The IIM, Calcutta also found that the agencies as well as the beneficiaries were quite happy with the results.

iii) Transport subsidy on Movement of seeds :

This component covers North-Eastern States including Sikkim, Jammu & Kashmir, Himachal Pradesh, Uttarakhand and Hill Areas of West Bengal. The component provides for (a) 100% reimbursement of difference between rail and road transportation cost is allowed for the movement of seeds produced outside the State and (b) the actual cost, restricted to maximum limit of Rs. 60 per quintal whichever is less for the movement of seed within the State from State capital / district Headquarters to sale outlets / sale counters.

iv) Establishment and Maintenance of Seed Bank:

In order to ensure that seeds are available to the farmers at the time of natural calamities like floods, droughts, etc., a need was felt to establish a Seed Bank to maintain stocks of foundation and certified seeds of different crops/varieties which can be utilized for such contingent requirements. The scheme is being implemented through National Seed Corporation, State Farms Corporation of India and State Seed Corporations since IX Plan. Under this component, crop-wise targets of seeds are fixed for each participating organization for maintenance in the Seed Bank every year. Now State Governments like Tamil Nadu, Jharkhand and Kerala Seed Development Authority started participating in this component.

v) Quality Control Arrangements on Seeds:

This component deals with arrangement to regulate the quality of seeds under the Seeds Act, 1966, to strengthen quality control organization like State Seed Certification Agencies, State Seed Testing Laboratories, Central Seed Testing Laboratory and Central Seed committee apart from imparting training to officials engaged in the seed sector and for enforcing the seed law in order to ensure the production and distribution of quality seeds to protect the interest of the farmers. This component also deals with the strengthening of National Seeds Research and Training Centre at Varanasi (UP) This Centre has been notified as Central Seed Testing Laboratory (CSTL) and acts as referral seed testing laboratory as well as a premier training centre on all aspects of seed technology to different stakeholders.

This component also aims to provide financial support to CSTL to perform the following functions: (i) to initiate testing programme in collaboration with notified State Seed Laboratories, design to provide uniformity in test results between all recognized

seed labs in India; to coordinate and standardize the seed testing procedure in the Country,etc.

Seed testing has been recognized as an essential aspect of quality of seed programme. In fact, quality control programmes are pointless unless they involve seed testing. Seed Testing is a part of Seed Certification Programme, Seed Law Enforcement, enforcement of Seeds (Control) Order, seed production and marketing.

vi) Assistance for Creation/Strengthening of Infrastructure Facilities for production and distribution of quality seeds :

(a) Seed Processing Plants:

In order to establish/strengthen infrastructure facilities for production and distribution of quality seeds, State Seeds Corporations including NSC/SFCI are provided financial assistance for creating/strengthening facilities for seeds processing plants, machineries for seed cleaning, grading, treating and packing. There are 15 State Seeds Corporations and two Central Public Sector Undertakings in the Country involved in seed development programme. The States/UTs which do not have any State Seed Corporations but are involved in quality seed production are also provided financial assistance for the creation of seed infrastructure facilities.

Assistance for creation/strengthening of seed processing plant of 1000 Metric Tonne capacity or multiples thereof (including construction of building and procurement of machinery/equipment) is provided at the standard rate of Rs.22.25 lakh per processing plant.

(b) Seed Storage Godown

For construction of seed storage godown, assistance is provided at the standard rate of Rs.25 lakhs per seed godown of 1000 MTs capacity and multiples thereof in proportion to

the capacity. The States/Seeds Corporation will have the flexibility to establish/strengthen seed storage godown of the required capacity/capacities as assessed by them.

vii) Use of Bio-technology in Agriculture:-

Pursuant to the recommendations of Task Force appointed by the Ministry of Agriculture under the Chairmanship of Dr. M.S. Swaminathan on Application of Biotechnology in Agriculture, this component is being implemented for providing financial assistance for post-released monitoring of transgenic crops through State Agriculture Universities/Department of Agriculture of States/Krishi Vigyan Kendra, strengthening of State Seed Testing Laboratories for quality control of GM seeds, public awareness campaign through SAUs, scientific organizations/institutes, and for promotion of tissue culture through SAUs/Specialized Institutions/Seed Corporations.

viii) Promoting Hybrid Rice Seeds:-

Under this component, assistance is provided for production as well as distribution of hybrid rice. Production subsidy @ Rs.20 per kg. and distribution subsidy @Rs.25/- per kg. are given to various beneficiaries.

COMMITTEE ON AGRICULTURE

(2011-12)

MINUTES OF THE TWENTY EIGHTH SITTING OF THE COMMITTEE

The Committee sat on Thursday, the 12 April, 2012 from 1100 hours to 1315 hrs. and from 1430 hrs to 1640 hours in Room No. '53', Parliament House, New Delhi.

PRESENT

Shri Basudeb Acharia - Chairman

MEMBERS

LOK SABHA

2. Shri Narayansingh Amlabe
3. Shri Thangso Baite
4. Smt. Ashwamedh Devi
5. Shri Premdas
6. Shri Surendra Singh Nagar
7. Shri Devji M. Patel
8. Shri Nripendra Nath Roy
9. Shri Laxman Tudu
10. Shri Hukmadeo Narayan Yadav
11. Shri Ramakant Yadav

RAJYA SABHA

12. Shri Shashi Bhusan Behera
13. Shri Upendra Kushwaha
14. Shri Rajpal Singh Saini
15. Shri S. Thangavelu

SECRETARIAT

- | | | | |
|----|----------------------|---|---------------------|
| 1. | Shri Deepak Mahna | - | Joint Secretary |
| 2. | Shri P.V.L.N. Murthy | - | Director |
| 2. | Shri P.C. Koul | - | Additional Director |

WITNESSES

MINISTRY OF AGRICULTURE
(DEPARTMENT OF AGRICULTURE AND CO-OPERATION)

<u>S.No.</u>	<u>NAME OF THE OFFICER</u>	<u>DESIGNATION</u>
1.	Shri P.K. Basu	Secretary
2.	Shri V. Venkatachalam	Special Secretary
3.	Shri Ashish Bahuguna	Additional Secretary & Financial Adviser
4.	Shri G.C. Pati	Additional Secretary
5.	Shri Anup Kumar Thakur	Additional Secretary
6.	Mrs. Bhavani	Principal Adviser
7.	Shri R. Viswanathan	Economic and Statistical Advisor (ESA)
8.	Dr. Gorakh Singh	Horticulture Commissioner
9.	Shri E.K. Majhi	Joint Secretary
10.	Shri Mukesh Khullar	Joint Secretary
11.	Shri Sanjeev Gupta	Joint Secretary
12.	Shri R.K. Tiwari	Joint Secretary
13.	Shri Atanu Purkayastha	Joint Secretary
14.	Shri Sanjeev Chopra	Joint Secretary
15.	Shri S.K.G. Rahate	Joint Secretary
16.	Smt. Uma Goel	Joint Secretary
17.	Shri Vidya Dhar	DDG (AC)
18.	Shri K. Ojha	DDG (NBM)
19.	Shri Vilas R. Ghodeswar	Chief Control of Accounts (CCA)
20.	Dr. Anandi Ravichandran	Member Secretary (CACP)

MINISTRY OF CHEMICALS AND FERTILIZER
(DEPARTMENT OF FERTILIZERS)

1.	Shri Satish Chandra	Joint Secretary
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2. Shri S.C. Gupta Joint Secretary

PLANNING COMMISSION

1. Dr. V.V. Sadamate Adviser (Agriculture)
2. Dr. A.K. Tiwari Deputy Adviser (Agriculture)

2. At the outset, the Chairman welcomed the members of the Committee and representatives of the Ministry of Agriculture (Department of Agriculture and Cooperation), Ministry of Chemicals and Fertilisers (Department of Fertilizers) and Planning Commission to the Sitting.

3. After the witnesses introduced themselves, the Secretary briefly highlighted the activities / achievements made by the Department during the preceding Financial Year. The Committee, thereafter, took their evidence on Demands for Grants (2012-13) of the Department.

[At around 1315 hours the Committee adjourned for Lunch. The Sitting resumed at 1430 hours]

4. The Chairman and members of the Committee raised queries on several issues concerning the Demands for Grants of the ongoing Fiscal. The witnesses replied, thereto.

5. The Chairman, thereafter thanked the witnesses for appearing before the Committee as well as for furnishing valuable information desired by them. He also directed them to furnish information on points on which the Department could not clarify during the Sitting, to the Committee Secretariat by 17 April, 2012.

6. A verbatim record of the proceedings has been kept separately.

The Committee then adjourned.

**COMMITTEE ON AGRICULTURE
(2011-12)**

MINUTES OF THE THIRTY FIRST SITTING OF THE COMMITTEE

The Committee sat on Thursday, the 26th April, 2012 from 1000 hours to 1020 hours in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Shri Basudeb Acharia – Chairman

MEMBERS

LOK SABHA

2. Shri Narayansingh Amlabe
3. Shri Thangso Baite
4. Shri Sk. Nurual Islam
5. Shri Premdas
6. Shri Surendra Singh Nagar
7. Shri Vitthalbhai Hansrajbhai Radadiya
8. Shri Nripendra Nath Roy
9. Shri D. Venugopal

RAJYA SABHA

10. Shri Shashi Bhusan Behera
11. Shri Mohd. Ali Khan
12. Shri Rajpal Singh Saini
13. Shri S. Thangavelu

SECRETARIAT

1. Shri Deepak Mahna - Joint Secretary
2. Shri P.V.L.N. Murthy - Director
3. Shri C. Vanlalruata - Deputy Secretary

2. At the outset the Hon'ble Chairman welcomed the members to the Sitting of the Committee. They, thereafter, took up the following draft Reports for consideration:-

(i) draft Report on Demands for Grants (2012-2013) relating to the Ministry of Agriculture (Department of Agriculture & Co-operation); and

*(ii) xxx xxx xxx xxx

3. After some deliberations, the Committee adopted the draft Report on Demands for Grants (2012-13) of Ministry of Agriculture (Department of Agriculture and Cooperation) without any modification. xxx xxx xxx xxx xxx. They also authorized the Chairman to finalise the above Draft Reports after having got them factually verified from the concerned Ministry/Department and present them to the Parliament.

The Committee then adjourned.

* *Matter not related to this Report.*